

ALASKA  
RETIREMENT  
MANAGEMENT  
BOARD

MARCH  
5, 2024

AUDIT COMMITTEE

**State of Alaska**  
**ALASKA RETIREMENT MANAGEMENT BOARD**

AUDIT COMMITTEE MEETING

**March 5, 2024 – 9:00 AM**

Centennial Hall Convention Center, Egan Room  
101 Egan Drive, Juneau, AK

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<p><b>Videoconference:</b> <a href="#">Click here to join the meeting</a> Meeting ID: 245 119 247 910 Passcode: 3PGcHu</p>	<p><b>Teleconference:</b> Call-In #: 1-907-202-7104 Code: 942 518 5#</p>
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- I. Call to Order**
- II. Roll Call**
- III. Public Meeting Notice**
- IV. A. Approval of Agenda**  
**B. Approval of Minutes – December 6, 2023**  
**C. Approval of Minutes – December 20, 2023**
- V. Public / Member Participation, Communications and Appearances**  
*(Three Minute Limit. Callers may need to press \*6 to unmute.)*
- VI. Reports**
  - A. GASB 68 / 75 Final Reports**  
*Kevin Worley, Chief Financial Officer, Division of Retirement & Benefits*
  - B. National Guard and Naval Militia Retirement System Audit Report**  
*Kevin Worley, Chief Financial Officer, Division of Retirement & Benefits*
  - C. Employer Audits**  
*Christopher Novell, Accountant V, Division of Retirement & Benefits*
  - D. Report on Delinquent / Late Filing Employers**  
*Kevin Worley, Chief Financial Officer, Division of Retirement & Benefits*
  - E. Compliance Report and Update**  
*Hunter Romberg, Senior Compliance Officer, Treasury Division*
- VII. Future Meetings**
  - A. Calendar Review**
  - B. Agenda Items**
  - C. Requests / Follow-Ups**
- VIII. Other Matters to Properly Come Before the Committee**
- IX. Public / Members Comments**
- X. Adjournment**

**ALASKA RETIREMENT MANAGEMENT BOARD  
AUDIT COMMITTEE MEETING  
HYBRID/TEAMS**

December 6, 2023  
9:00 a.m.

Originating at:  
Alaska Housing Finance Corporation Meeting Room  
4300 Boniface Parkway  
Anchorage, Alaska 99504

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**Trustees Present:**

Michael Williams, Chair  
Donald Krohn

Bob Williams  
Lorne Bretz

**Other Trustees Present:**

Sandra Ryan  
Spencer Moore

Dennis Moen  
Commissioner Paula Vrana

**Department of Revenue Staff Present:**

Zach Hanna, Chief Investment Officer  
Scott Jones, Head of Investment Operations,  
Performance & Analytics  
Jesyca Ellenbecker, Accountant 5  
Benjamin Garrett, State Investment Officer  
Emily Bowman, Administrative Assistant 2  
Grant Ficek, Business Analyst

Pamela Leary, Director, Treasury Division  
Ryan Kauzlarich, Assistant Comptroller  
Robyn Mesdag, State Investment Officer  
Hunter Romberg, Senior Compliance Officer  
Chris Madsen, Administrative Operations  
Manager  
Alysia Jones, Board Liaison

**Department of Law Staff Present:**

Ben Hofmeister, Assistant Attorney General

**Department of Administration:**

Amanda Pillifant, Executive Assistant

**Division of Retirement & Benefits**

Ajay Desai, Director, DRB  
Kathy Lea, Chief Pension Officer  
Traci Walther, Accountant 5  
Nimeri Denis, Audit & Review Analyst

Kevin Worley, Chief Financial Officer  
Roberto Aceveda, Counseling  
& Education Manager  
Brandon Roomsburg, Retirement  
& Benefits Specialist

**Investment Advisory Council Present:**

Ruth Traylor  
Dr. Williams Jennings

Josh Rabuck

**KPMG:**

Beth Stuart, Audit Partner

Melissa Beedle, Audit Managing Director

**Callan:**  
Steve Center, Senior Vice President

Ivan “Butch” Cliff, Executive  
Vice President

**Public:**  
Wendy Woolf, RPEA

Randall Burns, RPEA

DRAFT

## **PROCEEDINGS**

### **CALL TO ORDER**

CHAIR MIKE WILLIAMS called the Audit Committee of the Alaska Retirement Management Board to order and asked for a roll call.

MS. JONES called the roll, and stated that the members of the committee were present.

### **PUBLIC MEETING NOTICE**

CHAIR MIKE WILLIAMS asked to confirm that the public meeting notice was met.

MS. JONES replied, yes, it had.

### **APPROVAL OF THE AGENDA**

CHAIR MIKE WILLIAMS asked for any additions, changes or objections to the agenda as presented. There being no objections, he continued to the approval of the minutes.

### **APPROVAL OF MINUTES**

CHAIR MIKE WILLIAMS moved to the committee minutes of the September 13 and October 9, 2023, meetings. He asked for any corrections or adjustments. Hearing none, he stated that those minutes were adopted.

### **PUBLIC/MEMBER PARTICIPATION, COMMUNICATIONS AND APPEARANCES**

CHAIR MIKE WILLIAMS moved to the public comment period and asked if there was anyone online who wished to address the Audit Committee of the Retirement Board. Hearing none, he moved to the room. Hearing no one wishing to make public comments, he continued on to the reports.

### **REPORTS**

#### **FY23 ARMB AUDITED FINANCIAL STATEMENTS**

CHAIR MIKE WILLIAMS recognized Beth Stuart and Melissa Beedle from KPMG.

MS. STUART stated that she is an audit partner with KPMG based in Anchorage. She is also the Managing Partner of the Anchorage office.

MS. BEEDLE stated that she is a managing director in the Audit Department. She continued that she is based out of Juneau, and has worked on this audit for 10 to 12 years now. She added that they were there to present their results. She stated that the first section of the presentation was an overview of the audit results. It notes how the reports that were issued were unmodified opinions for the systems except for the National Guard system, which has not yet been completed. She explained that they were still working through some of the census data issues that were talked about over the last several years and expect to be able to issue a qualified opinion on that. She talked about the unmodified opinion issued back in October, and, consistent with years past, there is one uncorrected audit misstatement related to the lag of the timing for alternative investment reporting. She added that there were no corrected audit misstatements, and they had no other audit matters that need to be brought to the committee's attention at this time. She stated that there were no illegal acts or fraud that came to their attention during the course of the audit, and there is no suspected fraud.

MS. STUART went into detail on the uncorrected audit misstatement that had been the case in most years of the audit. It is a misstatement associated with the timing of information related to the private equity funds, related to the invested assets of the ARMB. This audit misstatement reflects the difference in the information that was available when the Treasury Division closed their books and the information that was available at the time that the audit report was completed in October. That difference was about \$28 million of increased value in private equities; about .5 percent of the value of those assets. She added that that was not something that gave concern or in any way impacted or prevented the issuing of an unmodified statement on the financial statements. It is there just for the information of the trustees. She stated that the auditor's reports were unmodified on the invested assets, as well as all of the systems, except for the National Guard system. It was expected that a qualified opinion on the National Guard system would be issued, and they were waiting for information to allow that to be issued.

MS. BEEDLE then provided some of the insights that were seen as part of the data analysis that was performed during the audit. She stated that they get 100 percent of the data, the distributions and contributions made, and they run those through some data analysis tools to see if anything unusual pops out that may need a bit more explanation. She concluded their prepared presentation and asked for any questions.

CFO WORLEY then talked about the continued work with the National Guard on data collection for getting the necessary forms through testing. An email contact was recently received from the Commissioner wanting to work with the Division on how to resolve these items, because they eventually show up in the State's annual comprehensive financial report. He continued that one of the problems for one of the units is that they only perform National Guard services once a month on a weekend on a voluntary basis. He thanked all the staff for getting the data provided for the audits, and stated his appreciation for all that staff does.

### **INTERNAL AUDIT REPORT**

CFO WORLEY continued to the internal audit report and introduced Christopher Novell, the compliance officer in charge of the internal audit section on a day-to-day basis, and the audit section reports when they were issued.

MR. NOVELL stated that the audit and compliance unit consists of a team of three under the overall supervision of CFO Kevin Worley. The daily activities and priorities of the unit are overseen by himself. Brandon Roomsburg and Nimeri Denis both serve as the Division's audit and review analysts. He continued that the team completed four audits that were commenced during the Fiscal Year 2023, all of which were school districts. Currently, there are two audits in process: one school district and one municipality. During the reviews, five recurring issues that required attention on behalf of the employers were identified. First were noncompliance issues with SB185 relating to the firing of retired teachers; second, employees not reporting PERS or TRS on their first day of employment; three, incorrect Social Security numbers; four, temporary employment that exceeds two years; and, the erroneous reporting of bonuses or other noneligible payments. He added that this team is also involved in other duties such as being Social Security Administrators for Alaska. He stated that Section 218 of the Social Security Act is an agreement that provides for public employees within eligible entities to participate in Social Security, as long as certain due diligence has been performed, which could include membership referendums. As State Social Security Administrators, we have a very central role in administering any events

where a political subdivision or retirement system sought to change their participation status in Social Security. The conference provided all the tools needed to do that.

CFO WORLEY stated that KPMG talked about the annual comprehensive financial reports for PERS and TRS, which are required by Alaska statute to be issued by the end of the calendar year; and we have until 12/31 to issue those. He continued that a final draft of those were at the Commissioner's office for approval and were sent off to KPMG for their review. There is a modification to the audit opinion that is required so that the report could be issued.

The Division of Retirement and Benefits was recently notified by the Government Finance Officers' Association that they received a certificate of achievement for excellence in financial reporting for the June 30, 2022, PERS and TRS ACFRs, or annual comprehensive financial reports. CFO WORLEY added that they applied for and received the 2023 Public Pension Standard Award for funding and administration of public pension plans. We are very proud to receive those, which means that we are meeting a lot of criteria established by both of these groups.

CFO WORLEY stated that the GASB 68 and GASB 75 allocation schedules need to be issued. Those are reports used by employers and the State of Alaska, but not by the Division. He added that those were given to KPMG, and he noted the need for a one-hour meeting to go over the final drafts on December 20<sup>th</sup>.

CHAIR MIKE WILLIAMS asked the committee members to pencil that date in.

#### **REPORT ON DELINQUENT/LATE FILING EMPLOYERS**

CFO WORLEY moved on to the report of delinquent and late-filing reporters and stated that the item talked about most frequently over the last couple meetings has been the Hydaburg City School District. In discussions with the staff that works with Hydaburg, they are pretty much caught up on the teacher side. They did get the funding to pay off through last fiscal year, and are working to stay current on this report. They have made significant progress since this report was prepared. He added that the Audit Committee will be updated on that process as it is worked through.

CHAIR MIKE WILLIAMS stated that the next item on the agenda was an optional Executive Session. He continued that would be necessary if there were any confidential issues believed to be brought to the attention of the committee. Since no confidential issues have come up, he skipped the Executive Session. He moved on to the self-assessment and charter sections of the agenda. He also asked for any requests for updates or changes on the charter. Hearing none, he moved to future committee meetings and the dates. He asked for anything else from trustees for future agenda items. There being none, he asked for a motion to adjourn.

**MOTION: A motion to adjourn the Audit Committee Meeting was made by TRUSTEE BOB WILLIAMS.**

*There being no objection, the MOTION was APPROVED.*

(The ARMB Audit Committee Meeting was adjourned at 9:47 a.m.)

**ALASKA RETIREMENT MANAGEMENT BOARD  
AUDIT COMMITTEE MEETING  
HYBRID/TEAMS**

December 20, 2023  
1:30 p.m.

Videoconference Originating at:  
Treasury Division  
State Office Building  
Juneau, Alaska

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**Trustees Present:**

Michael Williams, Chair  
Donald Krohn

Bob Williams  
Lorne Bretz

Other Trustees Present:  
Sandra Ryan

**Department of Revenue Staff Present:**

Zach Hanna, Chief Investment Officer  
Scott Jones, Head of Investment Operations, Performance & Analytics  
Alysia Jones, Board Liaison

**Division of Retirement & Benefits**

Kevin Worley, Chief Financial Officer  
Christina Maiquis, Accountant V

**Investment Advisory Council Present:**

Dr. Williams Jennings

**KPMG:**

Beth Stuart, Audit Partner  
Melissa Beedle, Audit Managing Director

**Buck:**

David Kershner, Principal, Consulting Actuary  
Robert Besenhofer, Principal, Health Actuary



## **PROCEEDINGS**

### **CALL TO ORDER**

CHAIR MIKE WILLIAMS apologized for the slight delay and called the Audit Committee of the Alaska Retirement Management Board to order at 1:38 p.m. He then asked for a roll call.

MS. JONES called the roll and stated that the members of the committee were present.

### **PUBLIC MEETING NOTICE**

CHAIR MIKE WILLIAMS asked to confirm that the public meeting notice was met.

MS. JONES replied, yes, it had.

### **APPROVAL OF THE AGENDA**

CHAIR MIKE WILLIAMS asked for any additions or changes to the agenda that was presented.

CFO WORLEY stated that there were two letters that should have been included in the Audit Committee packet that went out a couple of weeks ago. Ms. Jones also has two letters from KPMG. She also has representation letters from the management of the Department of Revenue for the Treasury Division for the invested assets of the ARM Board, and then for the audits issued by KPMG for public employees, teachers, JRS, deferred comp, and the supplemental benefits system (SBS). He stated those would be sent if they have not already been sent out. He apologized for not including those in the packet the last time.

CHAIR MIKE WILLIAMS asked for any other adjustments to the agenda. He asked for any objections to moving forward with the agenda. There being no objections, he continued to Public Participation.

### **PUBLIC/MEMBER PARTICIPATION, COMMUNICATIONS AND APPEARANCES**

CHAIR MIKE WILLIAMS moved to the public comment period and asked if there was anyone online who wished to address the Audit Committee. Hearing none, he moved to the June 30<sup>th</sup> PERS/TRS and GASB 68 and 75 audited schedules.

### **JUNE 30, 2023, PERS/TRS GASB 68 AND 75 AUDITED SCHEDULES**

CFO WORLEY stated that on Page 3 of the packet was an information disclosure from the Division related to the GASB 68 and GASB 75 allocation schedules, which were the accounting and financial reports for pensions for 68, and the accounting and financial reporting for past employment benefits other than pension, which were the OPEB plans. Primarily, the Alaska Retiree Healthcare Trust, the Occupational Death and Disability Plans for both PERS and TRS, as well as the Retiree Medical Plan because those were all defined benefit plans and funded through actuarially determined contribution rates. From those schedules, there was for PERS and TRS a net pension liability which was disclosed in the financial statements. Then, for participating employers, there were Governmental Accounting Standards requirements that, on a cost-shared plan, the participating employers get allocated a portion of the net pension liability. In regard to all of the healthcare trusts, Occupational Death and Disability Plan, and the retiree medical plans for PERS and TRS, there was a net OPEB asset allocated through the allocation schedules, just like the net pension liability. He stated that they work with Buck developing the schedules, and then KPMG audits those schedules for them.

CHAIR MIKE WILLIAMS asked if KPMG reviewed the methodology and the allocation percentage, and if they have a reasonableness or comfort level associated with those methodologies and allocations.

MS. BEEDLE replied, yes, they have, and they involve their actuary to help with the methods.

CFO WORLEY clarified that they work with Buck and also work with KPMG, and then Buck also works with KPMG's actuary. They have meetings that he and Ms. Beedle also participate in as they work through and discuss assumptions. They talk about the rate of return and inflation. Those things are part of the annual audits that are disclosed in the financial statements, and they also discuss the allocation methodology used. He stated that the first item they looked at was the PERS defined benefit pension plan. He continued that David Kershner and Bob Besenhofer from Buck helped with the schedules and were online.

CHAIR MIKE WILLIAMS asked about the percentages on occupational death and disability, which is something that popped out at him.

CFO WORLEY replied that he believed that with the occupational death and disability they had a normal cost that could be absorbed by a negative past service cost. He added that, unlike the Alaska Retiree Healthcare Trust where a zero percent was adopted, the Board adopted the normal cost rate in that situation. He continued that it could be looked at in September if that is something that the Actuarial Committee has a need or desire to adopt, a zero rate for ODD and/or RMP. At that point, the money would be shifting to the defined benefit pension system. He moved to the PERS Alaska Retiree Healthcare Trust and stated that it is an overfunded plan with an overage. He then moved to the PERS Retiree Major Medical Insurance Plan. He stated that the allocations are gone through with Buck, and then KPMG comes in and goes through again, and they do a lot of analytics. They look at changes between employers, contribution percentages from prior year to current year. He continued to the PERS DB pension, which is used primarily for employers that report a calendar year through December 31, 2023. It is important to have these schedules issued timely. For the majority of participating employers with a June 30, 2024, year-end, this information is available so a lot of the footnote disclosures and journal entries could be readied. This is helpful to have as soon after the annual audits are completed. He continued through the rest of the schedules and stated they were trying to get them issued before the end of the calendar year so that all participating employers with a September 30, December 31, or March 31, 2024, year-end have the information available.

CHAIR MIKE WILLIAMS asked for any questions from committee members. There being none, he thanked CFO Worley for his thorough presentation.

CFO WORLEY stated appreciation for this additional Audit Committee meeting so that these schedules could get done.

CHAIR MIKE WILLIAMS asked if there were any future items on the calendar from committee members for future Audit Committee meetings.

CFO WORLEY added one thing regarding the National Guard. He said he was working on a memorandum of agreement that he wants to get finalized through the Commissioner and then with the Commissioner Adjutant General at the Department of Military and Veterans Affairs

regarding data collection from them, as well as audit timeframes, so that KPMG could finish up their audits in a timely manner.

CHAIR MIKE WILLIAMS looked forward to hearing the progress on that. He asked for any other matters to come before the committee. There being none, he asked if there are any members of the public or participants that wished to make comments to the Audit Committee.

CFO WORLEY stated that he had two items. By Alaska statute, the Division of Retirement and Benefits must issue annual comprehensive financial reports for both the PERS and the TRS by the end of a calendar year, and we have until December 31. Those were just completed the other day and will be posted online either by the end of business today or tomorrow. He noted this was the earliest issuing in a number of years. He thanked KPMG because they have to review the annual comprehensive financial reports. He thanked his staff for the time they spent on the five sections. It took a lot of work to not only do the data entry, but also the review. He thanked Scott Jones, Ryan Kauzlarich, Pam Leary, and her group for their assistance in the investment sections. He also thanked David Kershner and Bob Besenhofer for Buck's work on getting all the actuarial stuff that was needed to report. He added that they received their June 30, 2022, Government Finance Officers Association certificate of financial achievement award which is very stringent with a lot of checklists that they go through, and we met all requirements. They also received an award from the Public Pension Coordination Council. He gave a big thanks to DRB and Treasury, KPMG, and Buck. He also thanked the committee.

CHAIR MIKE WILLIAMS congratulated CFO Worley for maintaining those high standards. He asked for anything else to come before the committee. There being nothing, he thanked everyone for their attendance and wished them all a Merry Christmas and a Happy New Year. He asked for a motion to adjourn.

**MOTION: A motion to adjourn the meeting was made by TRUSTEE BOB WILLIAMS; seconded by TRUSTEE KROHN.**

*There being no objection, the MOTION was APPROVED.*

(The ARMB Audit Committee Meeting was adjourned at 2:03 p.m.)



KPMG LLP  
Suite 600  
701 West Eighth Avenue  
Anchorage, AK 99501

December 21, 2023

Audit Committee  
Alaska Retirement Management Board  
Juneau, Alaska

To the audit of the Alaska Retirement Management Board:

We have audited the schedules of employer and nonemployer allocations and the total of all participating entities of the columns titled net pension/OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total pension/OPEB expense included in the schedules of pension/OPEB amounts by employer and nonemployer (the Schedules) of the State of Alaska for the following plans (collectively, the Plans) as of June 30, 2023 and for the year then ended, and have issued our reports thereon under date of December 21, 2023:

- Public Employees' Retirement System Defined Benefit Plan
- Public Employees' Retirement System Alaska Retiree Healthcare Trust Plan
- Public Employees' Retirement System Retiree Medical Plan
- Public Employees' Retirement System Occupational Death and Disability Plan
- Teachers' Retirement System Defined Benefit Plan
- Teachers' Retirement System Alaska Retiree Healthcare Trust Plan
- Teachers' Retirement System Retiree Medical Plan
- Teachers' Retirement System Occupational Death and Disability Plan

Under our professional standards, we provided you with a report dated October 12, 2023 that related to our audits of the Public Employees' Retirement System and Teachers' Retirement System as of June 30, 2023 and 2022 and for each of the years then ended. This communication is an update to that report and should be considered only in conjunction with such report.

The following matters update our previous communications to you:

### **Written Communications**

Attached to this letter please find copies of the management representation letters, which are considered to be material written communications between management and us.

### **Update to Required Communications**

#### *Uncorrected Misstatements*

In connection with our audit of the Plans' schedules, no corrected or uncorrected financial statement misstatements in the Plans' books and records or financial statement presentation and disclosure omissions



Audit Committee  
Alaska Retirement Management Board  
December 21, 2023  
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were identified as of and for the year ended *June 30, 2023*. We have communicated that finding to management.

#### *Significant Accounting Policies*

As described in note 3, the State elected to use the present value of projected future contributions method to allocate amounts between employers for the following plans:

- Public Employees' Retirement System Defined Benefit Plan
- Public Employees' Retirement System Alaska Retiree Healthcare Trust Plan
- Teachers' Retirement System Defined Benefit Plan
- Teachers' Retirement System Alaska Retiree Healthcare Trust Plan

As described in note 3, the State elected to use the actual contributions method to allocate amounts between employers for the following plans:

- Public Employees' Retirement System Retiree Medical Plan
- Public Employees' Retirement System Occupational Death and Disability Plan
- Teachers' Retirement System Retiree Medical Plan
- Teachers' Retirement System Occupational Death and Disability Plan

#### *Qualitative Aspects of Accounting Practices*

We have discussed with the audit committee and management our judgments about the quality, not just the acceptability, of the Plan's accounting policies as applied in its financial reporting. The discussions generally included such matters as the consistency of the Plan's accounting policies and their application, and the understandability and completeness of the Plan's Schedules, which include related disclosures

#### *Significant Accounting Estimates and Significant Financial Statement Disclosures*

The preparation of the Schedules requires management of the Plans to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities at the date of the Schedules. In connection with our audit of the Schedules, no significant accounting estimates were identified.

#### *Noncompliance with Laws and Regulations, including Illegal Acts or Fraud*

In connection with our audit of the Plans' schedules, no identified or suspected instances of non-compliance with laws and regulations, including illegal acts or fraud, have come to our attention.

#### *Significant Difficulties Encountered During the Audit*

We encountered no significant difficulties in dealing with management in performing our audit.

#### *Management's Consultation with Other Accountants*

To the best of our knowledge, management has not consulted with other accountants during the year ended June 30, 2023.



Audit Committee  
Alaska Retirement Management Board  
December 21, 2023  
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*Disagreements with Management*

There were no disagreements with management on financial accounting and reporting matters that would have caused a modification of our auditors' reports on the Plans' schedules.

No other matters have come to our attention subsequent to October 12, 2023 and through the date of this report that would require us to provide you with additional information related to our audits of the schedules of the Plans as of June 30, 2023.

\* \* \* \* \*

This letter to the audit committee is intended solely for the information and use of the audit committee and management and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

**KPMG LLP**



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Administration**

DIVISION OF RETIREMENT AND BENEFITS

6th Floor State Office Building  
333 Willoughby Avenue  
P.O. Box 110203  
Juneau, AK 99811-0203  
Phone: (907) 465-4460  
Toll-Free: (800) 821-2251  
FAX: (907) 465-3086  
Alaska.gov/drb

December 21, 2023

KPMG LLP  
701 West 8<sup>th</sup> Avenue, Suite 600  
Anchorage, Ak 99501

We are providing this letter in connection with your audit of the schedule of employer and nonemployer allocations and the total of all participating entities of the columns titled net pension liability, total deferred outflows of resources, and total pension expense (benefit) included in the schedule of pension amounts by employer of the State of Alaska Public Employees' Retirement System Defined Benefit Pension Plan (the Plan) as of and for the year ended June 30, 2023, for the purpose of expressing opinions as to whether these schedules present fairly, in all material respects, the employer and nonemployer allocations and net pension liability, total deferred outflows of resources, and total pension expense (benefit) for the total of all participating entities for the Plan in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, no information has come to our attention that would cause us to believe that any of the representations made to you in our letter dated October 12, 2023 in connection with your audit of the Plan as of and for the year ended June 30, 2023, should be modified and that no events have occurred subsequent to October 12, 2023 and through the date of this letter that would require adjustment to our disclosure in the aforementioned schedules.

Additionally, we confirm to the best of our knowledge and belief, as of December 21, 2023, the following representations made to you during your audit of the schedules:

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 25, 2019, for the preparation and fair presentation of the schedules in accordance with U.S. GAAP.
2. We have made available to you:
  - a. All records, documentation, and information that is relevant to the preparation and fair presentation of the schedules;
  - b. Additional information that you have requested from us for the purpose of the audit;
  - c. All minutes of the meetings of the board of trustees and committees of trustees, or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant board and committee actions are included in the summaries; and
  - d. Unrestricted access and the full cooperation of personnel within the entity from whom you determined it necessary to obtain audit evidence.

3. Except as disclosed to you in writing, there have been no communications from regulatory agencies, governmental representatives, employees or others concerning investigations or allegations of noncompliance with laws and regulations in any jurisdiction, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the schedules.
4. There are no known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the schedules.
5. All material transactions have been recorded in the accounting records and are reflected in the schedules.
6. There are no side agreements or other arrangements (either written or oral).
7. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the schedules.
8. No uncorrected misstatements were identified.
9. We acknowledge our responsibility for the design, implementation, and maintenance of programs and controls to prevent, deter, and detect fraud; for adopting sound accounting policies; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules and to provide reasonable assurance against the possibility of misstatements that are material to the schedules, whether due to error or fraud. We understand that the term "fraud" is defined as an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in schedules that are the subject of an audit.
10. There are no deficiencies, significant deficiencies, or material weaknesses in the design or operation of internal control over financial reporting of which we are aware, which could adversely affect the Plan's ability to initiate, authorize, record, process, or report financial data. We have applied the definitions of a "significant deficiency" and a "material weakness" in accordance with the definitions in AU-C Section 265.07, Communicating Internal Control Related Matters Identified in an Audit.
11. We have disclosed to you the results of our assessment of the risk that the schedules may be materially misstated as a result of fraud.
12. We have no knowledge of any fraud or suspected fraud affecting the Plan involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the schedules.
13. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Plan's schedules communicated by employees, former employees, regulators, or others.
14. We have no knowledge of any officer or trustee of the Plan, or any other person acting under the direction thereof, having taken any action to fraudulently influence, coerce, manipulate, or mislead you during your audit.
15. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.



16. We believe the actuarial assumptions and methods used to determine information related to the Plan's total pension liability as of June 30, 2023, from which the amounts reported on the schedules were derived, are appropriate in the Plan's circumstances and the related actuarial valuation was prepared in conformity with U.S. generally accepted accounting principles.
17. There were no omissions from the participants' data provided to the Plan actuary for the purpose of performing the actuarial valuations underlying the amounts reported on the schedules as of and for the year ended June 30, 2023.
18. The actuarial assumptions and methods used to determine the weighted average service life of the Plan's participants as of June 30, 2022 used as the basis to amortize the components of the changes in the Plan's collective total pension liability for the year ended June 30, 2023 and the changes in proportion of the Plan's collective total pension liability as allocated to individual employers for the year ended June 30, 2023 that are reported as deferred inflows of resources or deferred outflows of resources are appropriate in the Plan's circumstances and are in accordance with U.S. generally accepted accounting principles.
19. We have disclosed to you the identity of all our related parties and all the related party relationships and transactions of which we are aware.
20. We have disclosed to you all accounting policies and practices we have adopted that, if applied to significant items or transactions, would not be in accordance with U.S. GAAP. We have evaluated the impact of the application of each such policy and practice, both individually and in the aggregate, on the Plan's current period schedules and our assessment of internal control over financial reporting, and the expected impact of each such policy and practice on future periods' financial reporting. We believe the effect of these policies and practices on the schedules and our assessment of internal control over financial reporting is not material. Furthermore, we do not believe the impact of the application of these policies and practices will be material to the schedules in future periods.
21. We acknowledge our responsibility for the presentation of the required supplementary information which includes the Schedule of Employer Allocations of Special Funding Amounts, the Schedule of Special Funding Amounts by Employer, and the Schedule of Employer and Nonemployer Contributions in accordance with the applicable criteria and prescribed guidelines established by the Governmental Accounting Standards Board and:
  - a. Believe the required supplementary information, including its form and content, is fairly presented in accordance with the applicable criteria and prescribed guidelines.
  - b. The methods of measurement or presentation of the required supplementary information have not changed from those used in the prior period.
  - c. The significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information are reasonable and appropriate.

Very truly yours,

Alaska Division of Retirement and Benefits



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Ajay Desai  
Division Director



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Kevin T. Worley  
Chief Financial Officer



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Administration**

DIVISION OF RETIREMENT AND BENEFITS

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December 21, 2023

KPMG LLP  
701 West 8<sup>th</sup> Avenue, Suite 600  
Anchorage, Ak 99501

We are providing this letter in connection with your audit of the schedule of employer and nonemployer allocations and the total of all participating entities of the columns titled net OPEB liability, total deferred outflows of resources, and total OPEB expense (benefit) included in the schedule of OPEB amounts by employer of the State of Alaska Public Employees' Retirement System Alaska Retiree Healthcare Trust Plan (the Plan) as of and for the year ended June 30, 2023, for the purpose of expressing opinions as to whether these schedules present fairly, in all material respects, the employer and nonemployer allocations and net OPEB liability, total deferred outflows of resources, and total OPEB expense (benefit) for the total of all participating entities for the Plan in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, no information has come to our attention that would cause us to believe that any of the representations made to you in our letter dated October 12, 2023 in connection with your audit of the Plan as of and for the year ended June 30, 2023, should be modified and that no events have occurred subsequent to October 12, 2023 and through the date of this letter that would require adjustment to our disclosure in the aforementioned schedules.

Additionally, we confirm to the best of our knowledge and belief, as of December 21, 2023, the following representations made to you during your audit of the schedules:

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 25, 2019, for the preparation and fair presentation of the schedules in accordance with U.S.GAAP.
2. We have made available to you:
  - a. All records, documentation, and information that is relevant to the preparation and fair presentation of the schedules;
  - b. Additional information that you have requested from us for the purpose of the audit;
  - c. All minutes of the meetings of the board of trustees and committees of trustees, or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant board and committee actions are included in the summaries; and
  - d. Unrestricted access and the full cooperation of personnel within the entity from whom you determined it necessary to obtain audit evidence.

3. Except as disclosed to you in writing, there have been no communications from regulatory agencies, governmental representatives, employees or others concerning investigations or allegations of noncompliance with laws and regulations in any jurisdiction, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the schedules.
4. There are no known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the schedules.
5. All material transactions have been recorded in the accounting records and are reflected in the schedules.
6. There are no side agreements or other arrangements (either written or oral).
7. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the schedules.
8. No uncorrected misstatements were identified.
9. We acknowledge our responsibility for the design, implementation, and maintenance of programs and controls to prevent, deter, and detect fraud; for adopting sound accounting policies; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules and to provide reasonable assurance against the possibility of misstatements that are material to the schedules, whether due to error or fraud. We understand that the term "fraud" is defined as an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in schedules that are the subject of an audit.
10. There are no deficiencies, significant deficiencies, or material weaknesses in the design or operation of internal control over financial reporting of which we are aware, which could adversely affect the Plan's ability to initiate, authorize, record, process, or report financial data. We have applied the definitions of a "significant deficiency" and a "material weakness" in accordance with the definitions in AU-C Section 265.07, Communicating Internal Control Related Matters Identified in an Audit.
11. We have disclosed to you the results of our assessment of the risk that the schedules may be materially misstated as a result of fraud.
12. We have no knowledge of any fraud or suspected fraud affecting the Plan involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the schedules.
13. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Plan's schedules communicated by employees, former employees, regulators, or others.
14. We have no knowledge of any officer or trustee of the Plan, or any other person acting under the direction thereof, having taken any action to fraudulently influence, coerce, manipulate, or mislead you during your audit.
15. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
16. We believe the actuarial assumptions and methods used to determine information related to the Plan's total OPEB liability as of June 30, 2023, from which the amounts reported on the schedules were derived, are appropriate in the Plan's circumstances and the related actuarial valuation was prepared in conformity with U.S. generally accepted accounting principles.

17. There were no omissions from the participants' data provided to the Plan actuary for the purpose of performing the actuarial valuations underlying the amounts reported on the schedules as of and for the year ended June 30, 2023.
18. The actuarial assumptions and methods used to determine the weighted average service life of the Plan's participants as of June 30, 2022 used as the basis to amortize the components of the changes in the Plan's collective total OPEB liability for the year ended June 30, 2023 and the changes in proportion of the Plan's collective total OPEB liability as allocated to individual employers for the year ended June 30, 2023 that are reported as deferred inflows of resources or deferred outflows of resources are appropriate in the Plan's circumstances and are in accordance with U.S. generally accepted accounting principles.
19. We have disclosed to you the identity of all our related parties and all the related party relationships and transactions of which we are aware.
20. We have disclosed to you all accounting policies and practices we have adopted that, if applied to significant items or transactions, would not be in accordance with U.S. GAAP. We have evaluated the impact of the application of each such policy and practice, both individually and in the aggregate, on the Plan's current period schedules and our assessment of internal control over financial reporting, and the expected impact of each such policy and practice on future periods' financial reporting. We believe the effect of these policies and practices on the schedules and our assessment of internal control over financial reporting is not material. Furthermore, we do not believe the impact of the application of these policies and practices will be material to the schedules in future periods.
21. We acknowledge our responsibility for the presentation of the required supplementary information which includes the Schedule of Employer Allocations of Special Funding Amounts, the Schedule of Special Funding Amounts by Employer, and the Schedule of Employer and Nonemployer Contributions in accordance with the applicable criteria and prescribed guidelines established by the Governmental Accounting Standards Board and:
  - a. Believe the required supplementary information, including its form and content, is fairly presented in accordance with the applicable criteria and prescribed guidelines.
  - b. The methods of measurement or presentation of the required supplementary information have not changed from those used in the prior period.
  - c. The significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information are reasonable and appropriate.

Very truly yours,

Alaska Division of Retirement and Benefits



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Ajay Desai  
Division Director



---

Kevin T. Worley  
Chief Financial Officer



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Administration**

DIVISION OF RETIREMENT AND BENEFITS

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December 21, 2023

KPMG LLP  
701 West 8<sup>th</sup> Avenue, Suite 600  
Anchorage, AK 99501

We are providing this letter in connection with your audit of the schedule of employer allocations and the total of all participating entities of the columns titled net OPEB liability, total deferred outflows of resources, and total OPEB expense (benefit) included in the schedule of OPEB amounts by employer of the State of Alaska Public Employees' Retirement System Retiree Medical Plan (the Plan) as of and for the year ended June 30, 2023, for the purpose of expressing opinions as to whether these schedules present fairly, in all material respects, the employer allocations and net OPEB liability, total deferred outflows of resources, and total OPEB expense (benefit) for the total of all participating entities for the Plan in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, no information has come to our attention that would cause us to believe that any of the representations made to you in our letter dated October 12, 2023 in connection with your audit of the Plan as of and for the year ended June 30, 2023, should be modified and that no events have occurred subsequent to October 12, 2023 and through the date of this letter that would require adjustment to our disclosure in the aforementioned schedules.

Additionally, we confirm to the best of our knowledge and belief, as of December 21, 2023, the following representations made to you during your audit of the schedules:

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 25, 2019, for the preparation and fair presentation of the schedules in accordance with U.S. GAAP.
2. We have made available to you:
  - a. All records, documentation, and information that is relevant to the preparation and fair presentation of the schedules;
  - b. Additional information that you have requested from us for the purpose of the audit;
  - c. All minutes of the meetings of the board of trustees and committees of trustees, or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant board and committee actions are included in the summaries; and
  - d. Unrestricted access and the full cooperation of personnel within the entity from whom you determined it necessary to obtain audit evidence.

3. Except as disclosed to you in writing, there have been no communications from regulatory agencies, governmental representatives, employees or others concerning investigations or allegations of noncompliance with laws and regulations in any jurisdiction, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the schedules.
4. There are no known instances of non-compliance or suspected non-compliance with laws and regulations, whose effects should be considered when preparing the schedules.
5. All material transactions have been recorded in the accounting records and are reflected in the schedules.
6. There are no side agreements or other arrangements (either written or oral).
7. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the schedules.
8. No uncorrected misstatements were identified.
9. We acknowledge our responsibility for the design, implementation, and maintenance of programs and controls to prevent, deter, and detect fraud; for adopting sound accounting policies; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules and to provide reasonable assurance against the possibility of misstatements that are material to the schedules, whether due to error or fraud. We understand that the term "fraud" is defined as an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in schedules that are the subject of an audit.
10. There are no deficiencies, significant deficiencies, or material weaknesses in the design or operation of internal control over financial reporting of which we are aware, which could adversely affect the Plan's ability to initiate, authorize, record, process, or report financial data. We have applied the definitions of a "significant deficiency" and a "material weakness" in accordance with the definitions in AU-C Section 265.07, Communicating Internal Control Related Matters Identified in an Audit.
11. We have disclosed to you the results of our assessment of the risk that the schedules may be materially misstated as a result of fraud.
12. We have no knowledge of any fraud or suspected fraud affecting the Plan involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the schedules.
13. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Plan's schedules communicated by employees, former employees, regulators, or others.
14. We have no knowledge of any officer or trustee of the Plan, or any other person acting under the direction thereof, having taken any action to fraudulently influence, coerce, manipulate, or mislead you during your audit.
15. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
16. We believe the actuarial assumptions and methods used to determine information related to the Plan's total OPEB liability as of June 30, 2023, from which the amounts reported on the schedules were derived, are appropriate in the Plan's circumstances and the related actuarial valuation was prepared in conformity with U.S. generally accepted accounting principles.

17. There were no omissions from the participants' data provided to the Plan actuary for the purpose of performing the actuarial valuations underlying the amounts reported on the schedules as of and for the year ended June 30, 2023.
18. The actuarial assumptions and methods used to determine the weighted average service life of the Plan's participants as of June 30, 2022 used as the basis to amortize the components of the changes in the Plan's collective total OPEB liability for the year ended June 30, 2023 and the changes in proportion of the Plan's collective total OPEB liability as allocated to individual employers for the year ended June 30, 2023 that are reported as deferred inflows of resources or deferred outflows of resources are appropriate in the Plan's circumstances and are in accordance with U.S. generally accepted accounting principles.
19. We have disclosed to you the identity of all our related parties and all the related party relationships and transactions of which we are aware.
20. We have disclosed to you all accounting policies and practices we have adopted that, if applied to significant items or transactions, would not be in accordance with U.S. GAAP. We have evaluated the impact of the application of each such policy and practice, both individually and in the aggregate, on the Plan's current period schedules and our assessment of internal control over financial reporting, and the expected impact of each such policy and practice on future periods' financial reporting. We believe the effect of these policies and practices on the schedules and our assessment of internal control over financial reporting is not material. Furthermore, we do not believe the impact of the application of these policies and practices will be material to the schedules in future periods.
21. We acknowledge our responsibility for the presentation of the required supplementary information which includes the Schedule of Employer Allocations of Special Funding Amounts, the Schedule of Special Funding Amounts by Employer, and the Schedule of Employer Contributions in accordance with the applicable criteria and prescribed guidelines established by the Governmental Accounting Standards Board and:
  - a. Believe the required supplementary information, including its form and content, is fairly presented in accordance with the applicable criteria and prescribed guidelines
  - b. The methods of measurement or presentation of the required supplementary information have not changed from those used in the prior period.
  - c. The significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information are reasonable and appropriate.

Very truly yours,

Alaska Division of Retirement and Benefits



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Ajay Desai  
Division Director



---

Kevin T. Worley  
Chief Financial Officer



THE STATE  
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**Department of Administration**

DIVISION OF RETIREMENT AND BENEFITS

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December 21, 2023

KPMG LLP  
701 West 8<sup>th</sup> Avenue, Suite 600  
Anchorage, AK 99501

We are providing this letter in connection with your audit of the schedule of employer allocations and the total of all participating entities of the columns titled net OPEB liability, total deferred outflows of resources, and total OPEB expense (benefit) included in the schedule of OPEB amounts by employer of the State of Alaska Public Employees' Retirement System Occupational Death and Disability Plan (the Plan) as of and for the year ended June 30, 2023, for the purpose of expressing opinions as to whether these schedules present fairly, in all material respects, the employer allocations and net OPEB liability, total deferred outflows of resources, and total OPEB expense (benefit) for the total of all participating entities for the Plan in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, no information has come to our attention that would cause us to believe that any of the representations made to you in our letter dated October 12, 2023 in connection with your audit of the Plan as of and for the year ended June 30, 2023, should be modified and that no events have occurred subsequent to October 12, 2023 and through the date of this letter that would require adjustment to our disclosure in the aforementioned schedules.

Additionally, we confirm to the best of our knowledge and belief, as of December 21, 2023, the following representations made to you during your audit of the schedules:

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 25, 2019, for the preparation and fair presentation of the schedules in accordance with U.S. GAAP.
2. We have made available to you:
  - a. All records, documentation, and information that is relevant to the preparation and fair presentation of the schedules;
  - b. Additional information that you have requested from us for the purpose of the audit;
  - c. All minutes of the meetings of the board of trustees and committees of trustees, or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant board and committee actions are included in the summaries; and
  - d. Unrestricted access and the full cooperation of personnel within the entity from whom you determined it necessary to obtain audit evidence.



3. Except as disclosed to you in writing, there have been no communications from regulatory agencies, governmental representatives, employees or others concerning investigations or allegations of noncompliance with laws and regulations in any jurisdiction, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the schedules.
4. There are no known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the schedules.
5. All material transactions have been recorded in the accounting records and are reflected in the schedules.
6. There are no side agreements or other arrangements (either written or oral).
7. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the schedules.
8. No uncorrected misstatements were identified.
9. We acknowledge our responsibility for the design, implementation, and maintenance of programs and controls to prevent, deter, and detect fraud; for adopting sound accounting policies; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules and to provide reasonable assurance against the possibility of misstatements that are material to the schedules, whether due to error or fraud. We understand that the term "fraud" is defined as an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in schedules that are the subject of an audit.
10. There are no deficiencies, significant deficiencies, or material weaknesses in the design or operation of internal control over financial reporting of which we are aware, which could adversely affect the Plan's ability to initiate, authorize, record, process, or report financial data. We have applied the definitions of a "significant deficiency" and a "material weakness" in accordance with the definitions in AU-C Section 265.07, Communicating Internal Control Related Matters Identified in an Audit.
11. We have disclosed to you the results of our assessment of the risk that the schedules may be materially misstated as a result of fraud.
12. We have no knowledge of any fraud or suspected fraud affecting the Plan involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the schedules.
13. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Plan's schedules communicated by employees, former employees, regulators, or others.
14. We have no knowledge of any officer or trustee of the Plan, or any other person acting under the direction thereof, having taken any action to fraudulently influence, coerce, manipulate, or mislead you during your audit.
15. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

16. We believe the actuarial assumptions and methods used to determine information related to the Plan's total OPEB liability as of June 30, 2023, from which the amounts reported on the schedules were derived, are appropriate in the Plan's circumstances and the related actuarial valuation was prepared in conformity with U.S. generally accepted accounting principles.
17. There were no omissions from the participants' data provided to the Plan actuary for the purpose of performing the actuarial valuations underlying the amounts reported on the schedules as of and for the year ended June 30, 2023.
18. The actuarial assumptions and methods used to determine the weighted average service life of the Plan's participants as of June 30, 2022 used as the basis to amortize the components of the changes in the Plan's collective total OPEB liability for the year ended June 30, 2023 and the changes in proportion of the Plan's collective total OPEB liability as allocated to individual employers for the year ended June 30, 2023 that are reported as deferred inflows of resources or deferred outflows of resources are appropriate in the Plan's circumstances and are in accordance with U.S. generally accepted accounting principles.
19. We have disclosed to you the identity of all our related parties and all the related party relationships and transactions of which we are aware.
20. We have disclosed to you all accounting policies and practices we have adopted that, if applied to significant items or transactions, would not be in accordance with U.S. GAAP. We have evaluated the impact of the application of each such policy and practice, both individually and in the aggregate, on the Plan's current period schedules and our assessment of internal control over financial reporting, and the expected impact of each such policy and practice on future periods' financial reporting. We believe the effect of these policies and practices on the schedules and our assessment of internal control over financial reporting is not material. Furthermore, we do not believe the impact of the application of these policies and practices will be material to the schedules in future periods.
21. We acknowledge our responsibility for the presentation of the required supplementary information which includes the Schedule of Employer Allocations of Special Funding Amounts, the Schedule of Special Funding Amounts by Employer, and the Schedule of Employer Contributions in accordance with the applicable criteria and prescribed guidelines established by the Governmental Accounting Standards Board and
  - a. Believe the required supplementary information, including its form and content, is fairly presented in accordance with the applicable criteria and prescribed guidelines.
  - b. The methods of measurement or presentation of the required supplementary information have not changed from those used in the prior period.
  - c. The significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information are reasonable and appropriate.

Very truly yours,

Alaska Division of Retirement and Benefits



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Ajay Desai  
Division Director



---

Kevin T. Worley  
Chief Financial Officer



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**Department of Administration**

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December 21, 2023

KPMG LLP  
701 West 8<sup>th</sup> Avenue, Suite 600  
Anchorage, Ak 99501

We are providing this letter in connection with your audit of the schedule of employer and nonemployer allocations and the total of all participating entities of the columns titled net pension liability, total deferred outflows of resources, and total pension expense (benefit) included in the schedule of pension amounts by employer of the State of Alaska Teachers' Retirement System Defined Benefit Pension Plan (the Plan) as of and for the year ended June 30, 2023, for the purpose of expressing opinions as to whether these schedules present fairly, in all material respects, the employer and nonemployer allocations and net pension liability, total deferred outflows of resources, and total pension expense (benefit) for the total of all participating entities for the Plan in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, no information has come to our attention that would cause us to believe that any of the representations made to you in our letter dated October 12, 2023 in connection with your audit of the Plan as of and for the year ended June 30, 2023, should be modified and that no events have occurred subsequent to October 12, 2023 and through the date of this letter that would require adjustment to our disclosure in the aforementioned schedules.

Additionally, we confirm to the best of our knowledge and belief, as of December 21, 2023, the following representations made to you during your audit of the schedules:

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 25, 2019, for the preparation and fair presentation of the schedules in accordance with U.S.GAAP.
2. We have made available to you:
  - a. All records, documentation, and information that is relevant to the preparation and fair presentation of the schedules;
  - b. Additional information that you have requested from us for the purpose of the audit;
  - c. All minutes of the meetings of the board of trustees and committees of trustees, or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant board and committee actions are included in the summaries; and

- d. Unrestricted access and the full cooperation of personnel within the entity from whom you determined it necessary to obtain audit evidence.
3. Except as disclosed to you in writing, there have been no communications from regulatory agencies, governmental representatives, employees or others concerning investigations or allegations of noncompliance with laws and regulations in any jurisdiction, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the schedules.
4. There are no known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the schedules.
5. All material transactions have been recorded in the accounting records and are reflected in the schedules.
6. There are no side agreements or other arrangements (either written or oral).
7. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the schedules.
8. No uncorrected misstatements were identified.
9. We acknowledge our responsibility for the design, implementation, and maintenance of programs and controls to prevent, deter, and detect fraud; for adopting sound accounting policies; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules and to provide reasonable assurance against the possibility of misstatements that are material to the schedules, whether due to error or fraud. We understand that the term "fraud" is defined as an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in schedules that are the subject of an audit.
10. There are no deficiencies, significant deficiencies, or material weaknesses in the design or operation of internal control over financial reporting of which we are aware, which could adversely affect the Plan's ability to initiate, authorize, record, process, or report financial data. We have applied the definitions of a "significant deficiency" and a "material weakness" in accordance with the definitions in AU-C Section 265.07, Communicating Internal Control Related Matters Identified in an Audit.
11. We have disclosed to you the results of our assessment of the risk that the schedules may be materially misstated as a result of fraud.
12. We have no knowledge of any fraud or suspected fraud affecting the Plan involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the schedules.
13. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Plan's schedules communicated by employees, former employees, regulators, or others.
14. We have no knowledge of any officer or trustee of the Plan, or any other person acting under the direction thereof, having taken any action to fraudulently influence, coerce, manipulate, or mislead you during your audit.
15. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

16. We believe the actuarial assumptions and methods used to determine information related to the Plan's total pension liability as of June 30, 2023, from which the amounts reported on the schedules were derived, are appropriate in the Plan's circumstances and the related actuarial valuation was prepared in conformity with U.S. generally accepted accounting principles.
17. There were no omissions from the participants' data provided to the Plan actuary for the purpose of performing the actuarial valuations underlying the amounts reported on the schedules as of and for the year ended June 30, 2023.
18. The actuarial assumptions and methods used to determine the weighted average service life of the Plan's participants as of June 30, 2022 used as the basis to amortize the components of the changes in the Plan's collective total pension liability for the year ended June 30, 2023 and the changes in proportion of the Plan's collective total pension liability as allocated to individual employers for the year ended June 30, 2023 that are reported as deferred inflows of resources or deferred outflows of resources are appropriate in the Plan's circumstances and are in accordance with U.S. generally accepted accounting principles.
19. We have disclosed to you the identity of all our related parties and all the related party relationships and transactions of which we are aware.
20. We have disclosed to you all accounting policies and practices we have adopted that, if applied to significant items or transactions, would not be in accordance with U.S. GAAP. We have evaluated the impact of the application of each such policy and practice, both individually and in the aggregate, on the Plan's current period schedules and our assessment of internal control over financial reporting, and the expected impact of each such policy and practice on future periods' financial reporting. We believe the effect of these policies and practices on the schedules and our assessment of internal control over financial reporting is not material. Furthermore, we do not believe the impact of the application of these policies and practices will be material to the schedules in future periods.
21. We acknowledge our responsibility for the presentation of the required supplementary information which includes the Schedule of Employer Allocations of Special Funding Amounts, the Schedule of Special Funding Amounts by Employer, and the Schedule of Employer and Nonemployer Contributions in accordance with the applicable criteria and prescribed guidelines established by the Governmental Accounting Standards Board and:
  - a. Believe the required supplementary information, including its form and content, is fairly presented in accordance with the applicable criteria and prescribed guidelines.
  - b. The methods of measurement or presentation of the required supplementary information have not changed from those used in the prior period.
  - c. The significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information are reasonable and appropriate.

Very truly yours,

Alaska Division of Retirement and Benefits



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Ajay Desai  
Division Director



---

Kevin T. Worley  
Chief Financial Officer



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Administration**

DIVISION OF RETIREMENT AND BENEFITS

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333 Willoughby Avenue  
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Juneau, AK 99811-0203  
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December 21, 2023

KPMG LLP  
701 West 8<sup>th</sup> Avenue, Suite 600  
Anchorage, Ak 99501

We are providing this letter in connection with your audit of the schedule of employer and nonemployer allocations and the total of all participating entities of the columns titled net OPEB liability, total deferred outflows of resources, and total OPEB expense (benefit) included in the schedule of OPEB amounts by employer of the State of Alaska Teachers' Retirement System Alaska Retiree Healthcare Trust Plan (the Plan) as of and for the year ended June 30, 2023, for the purpose of expressing opinions as to whether these schedules present fairly, in all material respects, the employer and nonemployer allocations and net OPEB liability, total deferred outflows of resources, and total OPEB expense (benefit) for the total of all participating entities for the Plan in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, no information has come to our attention that would cause us to believe that any of the representations made to you in our letter dated October 12, 2023 in connection with your audit of the Plan as of and for the year ended June 30, 2023, should be modified and that no events have occurred subsequent to October 12, 2023 and through the date of this letter that would require adjustment to our disclosure in the aforementioned schedules.

Additionally, we confirm to the best of our knowledge and belief, as of December 21, 2023, the following representations made to you during your audit of the schedules:

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 25, 2019, for the preparation and fair presentation of the schedules in accordance with U.S. GAAP.
2. We have made available to you:
  - a. All records, documentation, and information that is relevant to the preparation and fair presentation of the schedules;
  - b. Additional information that you have requested from us for the purpose of the audit;
  - c. All minutes of the meetings of the board of trustees and committees of trustees, or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant board and committee actions are included in the summaries; and
  - d. Unrestricted access and the full cooperation of personnel within the entity from whom you determined it necessary to obtain audit evidence.

3. Except as disclosed to you in writing, there have been no communications from regulatory agencies, governmental representatives, employees or others concerning investigations or allegations of noncompliance with laws and regulations in any jurisdiction, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the schedules.
4. There are no known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the schedules.
5. All material transactions have been recorded in the accounting records and are reflected in the schedules.
6. There are no side agreements or other arrangements (either written or oral).
7. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the schedules.
8. No uncorrected misstatements were identified.
9. We acknowledge our responsibility for the design, implementation, and maintenance of programs and controls to prevent, deter, and detect fraud; for adopting sound accounting policies; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules and to provide reasonable assurance against the possibility of misstatements that are material to the schedules, whether due to error or fraud. We understand that the term "fraud" is defined as an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in schedules that are the subject of an audit.
10. There are no deficiencies, significant deficiencies, or material weaknesses in the design or operation of internal control over financial reporting of which we are aware, which could adversely affect the Plan's ability to initiate, authorize, record, process, or report financial data. We have applied the definitions of a "significant deficiency" and a "material weakness" in accordance with the definitions in AU-C Section 265.07, Communicating Internal Control Related Matters Identified in an Audit.
11. We have disclosed to you the results of our assessment of the risk that the schedules may be materially misstated as a result of fraud.
12. We have no knowledge of any fraud or suspected fraud affecting the Plan involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the schedules.
13. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Plan's schedules communicated by employees, former employees, regulators, or others.
14. We have no knowledge of any officer or trustee of the Plan, or any other person acting under the direction thereof, having taken any action to fraudulently influence, coerce, manipulate, or mislead you during your audit.
15. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
16. We believe the actuarial assumptions and methods used to determine information related to the Plan's total OPEB liability as of June 30, 2023, from which the amounts reported on the schedules were derived, are appropriate in the Plan's circumstances and the related actuarial valuation was prepared in conformity with U.S. generally accepted accounting principles.

17. There were no omissions from the participants' data provided to the Plan actuary for the purpose of performing the actuarial valuations underlying the amounts reported on the schedules as of and for the year ended June 30, 2023.
18. The actuarial assumptions and methods used to determine the weighted average service life of the Plan's participants as of June 30, 2022 used as the basis to amortize the components of the changes in the Plan's collective total OPEB liability for the year ended June 30, 2023 and the changes in proportion of the Plan's collective total OPEB liability as allocated to individual employers for the year ended June 30, 2023 that are reported as deferred inflows of resources or deferred outflows of resources are appropriate in the Plan's circumstances and are in accordance with U.S. generally accepted accounting principles.
19. We have disclosed to you the identity of all our related parties and all the related party relationships and transactions of which we are aware.
20. We have disclosed to you all accounting policies and practices we have adopted that, if applied to significant items or transactions, would not be in accordance with U.S. GAAP. We have evaluated the impact of the application of each such policy and practice, both individually and in the aggregate, on the Plan's current period schedules and our assessment of internal control over financial reporting, and the expected impact of each such policy and practice on future periods' financial reporting. We believe the effect of these policies and practices on the schedules and our assessment of internal control over financial reporting is not material. Furthermore, we do not believe the impact of the application of these policies and practices will be material to the schedules in future periods.
21. We acknowledge our responsibility for the presentation of the required supplementary information which includes the Schedule of Employer Allocations of Special Funding Amounts, the Schedule of Special Funding Amounts by Employer, and the Schedule of Employer and Nonemployer Contributions in accordance with the applicable criteria and prescribed guidelines established by the Governmental Accounting Standards Board and:
  - a. Believe the required supplementary information, including its form and content, is fairly presented in accordance with the applicable criteria and prescribed guidelines.
  - b. The methods of measurement or presentation of the required supplementary information have not changed from those used in the prior period.
  - c. The significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information are reasonable and appropriate.

Very truly yours,

Alaska Division of Retirement and Benefits



---

Ajay Desai  
Division Director



---

Kevin T. Worley  
Chief Financial Officer





THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Administration**

DIVISION OF RETIREMENT AND BENEFITS

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December 21, 2023

KPMG LLP  
701 West 8<sup>th</sup> Avenue, Suite 600  
Anchorage, AK 99501

We are providing this letter in connection with your audit of the schedule of employer allocations and the total of all participating entities of the columns titled net OPEB liability, total deferred outflows of resources, and total OPEB expense (benefit) included in the schedule of OPEB amounts by employer of the State of Alaska Teachers' Retirement System Retiree Medical Plan (the Plan) as of and for the year ended June 30, 2023, for the purpose of expressing opinions as to whether these schedules present fairly, in all material respects, the employer allocations and net OPEB liability, total deferred outflows of resources, and total OPEB expense (benefit) for the total of all participating entities for the Plan in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, no information has come to our attention that would cause us to believe that any of the representations made to you in our letter dated October 12, 2023 in connection with your audit of the Plan as of and for the year ended June 30, 2023, should be modified and that no events have occurred subsequent to October 12, 2023 and through the date of this letter that would require adjustment to our disclosure in the aforementioned schedules.

Additionally, we confirm to the best of our knowledge and belief, as of December 21, 2023, the following representations made to you during your audit of the schedules:

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 25, 2019, for the preparation and fair presentation of the schedules in accordance with U.S. GAAP.
2. We have made available to you:
  - a. All records, documentation, and information that is relevant to the preparation and fair presentation of the schedules;
  - b. Additional information that you have requested from us for the purpose of the audit;
  - c. All minutes of the meetings of the board of trustees and committees of trustees, or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant board and committee actions are included in the summaries; and
  - d. Unrestricted access and the full cooperation of personnel within the entity from whom you determined it necessary to obtain audit evidence.

3. Except as disclosed to you in writing, there have been no communications from regulatory agencies, governmental representatives, employees or others concerning investigations or allegations of noncompliance with laws and regulations in any jurisdiction, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the schedules.
4. There are no known instances of non-compliance or suspected non-compliance with laws and regulations, whose effects should be considered when preparing the schedules.
5. All material transactions have been recorded in the accounting records and are reflected in the schedules.
6. There are no side agreements or other arrangements (either written or oral).
7. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the schedules.
8. No uncorrected misstatements were identified.
9. We acknowledge our responsibility for the design, implementation, and maintenance of programs and controls to prevent, deter, and detect fraud; for adopting sound accounting policies; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules and to provide reasonable assurance against the possibility of misstatements that are material to the schedules, whether due to error or fraud. We understand that the term "fraud" is defined as an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in schedules that are the subject of an audit.
10. There are no deficiencies, significant deficiencies, or material weaknesses in the design or operation of internal control over financial reporting of which we are aware, which could adversely affect the Plan's ability to initiate, authorize, record, process, or report financial data. We have applied the definitions of a "significant deficiency" and a "material weakness" in accordance with the definitions in AU-C Section 265.07, Communicating Internal Control Related Matters Identified in an Audit.
11. We have disclosed to you the results of our assessment of the risk that the schedules may be materially misstated as a result of fraud.
12. We have no knowledge of any fraud or suspected fraud affecting the Plan involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the schedules.
13. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Plan's schedules communicated by employees, former employees, regulators, or others.
14. We have no knowledge of any officer or trustee of the Plan, or any other person acting under the direction thereof, having taken any action to fraudulently influence, coerce, manipulate, or mislead you during your audit.
15. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
16. We believe the actuarial assumptions and methods used to determine information related to the Plan's total OPEB liability as of June 30, 2023, from which the amounts reported on the schedules were derived, are appropriate in the Plan's circumstances and the related actuarial valuation was prepared in conformity with U.S. generally accepted accounting principles.

17. There were no omissions from the participants' data provided to the Plan actuary for the purpose of performing the actuarial valuations underlying the amounts reported on the schedules as of and for the year ended June 30, 2023.
18. The actuarial assumptions and methods used to determine the weighted average service life of the Plan's participants as of June 30, 2022 used as the basis to amortize the components of the changes in the Plan's collective total OPEB liability for the year ended June 30, 2023 and the changes in proportion of the Plan's collective total OPEB liability as allocated to individual employers for the year ended June 30, 2023 that are reported as deferred inflows of resources or deferred outflows of resources are appropriate in the Plan's circumstances and are in accordance with U.S. generally accepted accounting principles.
19. We have disclosed to you the identity of all our related parties and all the related party relationships and transactions of which we are aware.
20. We have disclosed to you all accounting policies and practices we have adopted that, if applied to significant items or transactions, would not be in accordance with U.S. GAAP. We have evaluated the impact of the application of each such policy and practice, both individually and in the aggregate, on the Plan's current period schedules and our assessment of internal control over financial reporting, and the expected impact of each such policy and practice on future periods' financial reporting. We believe the effect of these policies and practices on the schedules and our assessment of internal control over financial reporting is not material. Furthermore, we do not believe the impact of the application of these policies and practices will be material to the schedules in future periods.
21. We acknowledge our responsibility for the presentation of the required supplementary information which includes the Schedule of Employer Allocations of Special Funding Amounts, the Schedule of Special Funding Amounts by Employer, and the Schedule of Employer Contributions in accordance with the applicable criteria and prescribed guidelines established by the Governmental Accounting Standards Board and:
  - a. Believe the required supplementary information, including its form and content, is fairly presented in accordance with the applicable criteria and prescribed guidelines
  - b. The methods of measurement or presentation of the required supplementary information have not changed from those used in the prior period.
  - c. The significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information are reasonable and appropriate.

Very truly yours,

Alaska Division of Retirement and Benefits



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Ajay Desai  
Division Director



---

Kevin T. Worley  
Chief Financial Officer



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Administration**

DIVISION OF RETIREMENT AND BENEFITS

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December 21, 2023

KPMG LLP  
701 West 8<sup>th</sup> Avenue, Suite 600  
Anchorage, AK 99501

We are providing this letter in connection with your audit of the schedule of employer allocations and the total of all participating entities of the columns titled net OPEB liability, total deferred outflows of resources, and total OPEB expense (benefit) included in the schedule of OPEB amounts by employer of the State of Alaska Teachers' Retirement System Occupational Death and Disability Plan (the Plan) as of and for the year ended June 30, 2023, for the purpose of expressing opinions as to whether these schedules present fairly, in all material respects, the employer allocations and net OPEB liability, total deferred outflows of resources, and total OPEB expense (benefit) for the total of all participating entities for the Plan in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, no information has come to our attention that would cause us to believe that any of the representations made to you in our letter dated October 12, 2023 in connection with your audit of the Plan as of and for the year ended June 30, 2023, should be modified and that no events have occurred subsequent to October 12, 2023 and through the date of this letter that would require adjustment to our disclosure in the aforementioned schedules.

Additionally, we confirm to the best of our knowledge and belief, as of December 21, 2023, the following representations made to you during your audit of the schedules:

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 25, 2019, for the preparation and fair presentation of the schedules in accordance with U.S. GAAP.
2. We have made available to you:
  - a. All records, documentation, and information that is relevant to the preparation and fair presentation of the schedules;
  - b. Additional information that you have requested from us for the purpose of the audit;
  - c. All minutes of the meetings of the board of trustees and committees of trustees, or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant board and committee actions are included in the summaries; and
  - d. Unrestricted access and the full cooperation of personnel within the entity from whom you determined it necessary to obtain audit evidence.

3. Except as disclosed to you in writing, there have been no communications from regulatory agencies, governmental representatives, employees or others concerning investigations or allegations of noncompliance with laws and regulations in any jurisdiction, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the schedules.
4. There are no known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the schedules.
5. All material transactions have been recorded in the accounting records and are reflected in the schedules.
6. There are no side agreements or other arrangements (either written or oral).
7. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the schedules.
8. No uncorrected misstatements were identified.
9. We acknowledge our responsibility for the design, implementation, and maintenance of programs and controls to prevent, deter, and detect fraud; for adopting sound accounting policies; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules and to provide reasonable assurance against the possibility of misstatements that are material to the schedules, whether due to error or fraud. We understand that the term "fraud" is defined as an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in schedules that are the subject of an audit.
10. There are no deficiencies, significant deficiencies, or material weaknesses in the design or operation of internal control over financial reporting of which we are aware, which could adversely affect the Plan's ability to initiate, authorize, record, process, or report financial data. We have applied the definitions of a "significant deficiency" and a "material weakness" in accordance with the definitions in AU-C Section 265.07, Communicating Internal Control Related Matters Identified in an Audit.
11. We have disclosed to you the results of our assessment of the risk that the schedules may be materially misstated as a result of fraud.
12. We have no knowledge of any fraud or suspected fraud affecting the Plan involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the schedules.
13. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Plan's schedules communicated by employees, former employees, regulators, or others.
14. We have no knowledge of any officer or trustee of the Plan, or any other person acting under the direction thereof, having taken any action to fraudulently influence, coerce, manipulate, or mislead you during your audit.
15. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

16. We believe the actuarial assumptions and methods used to determine information related to the Plan's total OPEB liability as of June 30, 2023, from which the amounts reported on the schedules were derived, are appropriate in the Plan's circumstances and the related actuarial valuation was prepared in conformity with U.S. generally accepted accounting principles.
17. There were no omissions from the participants' data provided to the Plan actuary for the purpose of performing the actuarial valuations underlying the amounts reported on the schedules as of and for the year ended June 30, 2023.
18. The actuarial assumptions and methods used to determine the weighted average service life of the Plan's participants as of June 30, 2022 used as the basis to amortize the components of the changes in the Plan's collective total OPEB liability for the year ended June 30, 2023 and the changes in proportion of the Plan's collective total OPEB liability as allocated to individual employers for the year ended June 30, 2023 that are reported as deferred inflows of resources or deferred outflows of resources are appropriate in the Plan's circumstances and are in accordance with U.S. generally accepted accounting principles.
19. We have disclosed to you the identity of all our related parties and all the related party relationships and transactions of which we are aware.
20. We have disclosed to you all accounting policies and practices we have adopted that, if applied to significant items or transactions, would not be in accordance with U.S. GAAP. We have evaluated the impact of the application of each such policy and practice, both individually and in the aggregate, on the Plan's current period schedules and our assessment of internal control over financial reporting, and the expected impact of each such policy and practice on future periods' financial reporting. We believe the effect of these policies and practices on the schedules and our assessment of internal control over financial reporting is not material. Furthermore, we do not believe the impact of the application of these policies and practices will be material to the schedules in future periods.
21. We acknowledge our responsibility for the presentation of the required supplementary information which includes the Schedule of Employer Allocations of Special Funding Amounts, the Schedule of Special Funding Amounts by Employer, and the Schedule of Employer Contributions in accordance with the applicable criteria and prescribed guidelines established by the Governmental Accounting Standards Board and
  - a. Believe the required supplementary information, including its form and content, is fairly presented in accordance with the applicable criteria and prescribed guidelines.
  - b. The methods of measurement or presentation of the required supplementary information have not changed from those used in the prior period.
  - c. The significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information are reasonable and appropriate.

Very truly yours,

Alaska Division of Retirement and Benefits



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Ajay Desai  
Division Director



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Kevin T. Worley  
Chief Financial Officer



**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2023

(With Independent Auditors' Report Thereon)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

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KPMG LLP  
Suite 600  
701 West Eighth Avenue  
Anchorage, AK 99501

## **Independent Auditors' Report**

The Division of Retirement and Benefits and  
Members of the Alaska Retirement Management Board  
State of Alaska Public Employees' Retirement System

### *Opinions*

We have audited the schedule of employer and nonemployer allocations of the State of Alaska Public Employees' Retirement System Defined Benefit Pension Plan (the Plan) as of and for the year ended June 30, 2023, and the related notes. We have also audited the total for all participating entities of the columns titled net pension liability, total deferred outflows of resources, and total pension expense (benefit) (specified column totals) included in the accompanying schedule of pension amounts by employer and nonemployer of the Plan as of and for the year ended June 30, 2023, and the related notes.

In our opinion, the accompanying schedules referred to above present fairly, in all material respects, the employer and nonemployer allocations and net pension liability, total deferred outflows of resources, and total pension expense (benefit) for the total of all participating entities for the Plan as of and for the year ended June 30, 2023, in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the auditors' Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Schedules*

Management is responsible for the preparation and fair presentation of these schedules in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibilities for the Audit of the Schedules*

Our objectives are to obtain reasonable assurance about whether the schedule of employer and nonemployer allocations and specified column totals included in the schedule of pension amounts by employer and nonemployer are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a



reasonable user based on the schedule of employer and nonemployer allocations and specified column totals included in the schedule of pension amounts by employer and nonemployer.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule of employer and nonemployer allocations and specified column totals included in the schedule of pension amounts by employer and nonemployer, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts in the schedule of employer and nonemployer allocations and specified column totals included in the schedule of pension amounts by employer and nonemployer and the related disclosures.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule of employer and nonemployer allocations and specified column totals included in the schedule of pension amounts by employer and nonemployer.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### *Other Matter*

We have audited, in accordance with GAAS, the financial statements of the State of Alaska Public Employees' Retirement System as of and for the year ended June 30, 2023, and our report thereon, dated October 12, 2023, expressed an unmodified opinion on those financial statements.

#### *Other Information*

The supplemental schedule of employer allocations of special funding amounts, supplemental schedule of special funding amounts by employer, and supplemental schedule of employer and nonemployer contributions have not been subject to the auditing procedures applied in the audit of the schedule of employer and nonemployer allocations and schedule of pension amounts by employer and nonemployer and accordingly, we do not express an opinion or provide any assurance on them.

#### *Restriction on Use*

Our report is intended solely for the information and use of the State of Alaska Public Employees' Retirement System management, Alaska Management Retirement Board, State of Alaska Public Employees' Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

Anchorage, Alaska  
December 21, 2023

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Schedule of Employer and Nonemployer Allocations

As of and for the year ended June 30, 2023

Employer/nonemployer	Employer/ nonemployer number	Present value of projected future contributions	Allocation percentage
Employer:			
State of Alaska	101	\$ 2,338,621,000	49.56758 %
Southwest Region School District	102	4,445,000	0.09421
Annette Island School District	103	3,573,000	0.07573
Bering Strait School District	104	12,733,000	0.26988
Chatham School District	105	1,398,000	0.02963
Alaska Municipal League	106	—	—
City of Valdez	107	16,654,000	0.35299
Juneau Borough School District	108	22,252,000	0.47164
Matanuska-Susitna Borough	109	43,055,000	0.91256
Matanuska-Susitna Borough School District	110	52,886,000	1.12093
Anchorage School District	111	150,500,000	3.18988
Copper River School District	112	2,181,000	0.04623
University of Alaska	113	194,412,000	4.12061
City of Kenai	115	12,668,000	0.26850
Fairbanks North Star Borough	116	40,066,000	0.84921
Fairbanks North Star Borough School District	117	53,923,000	1.14291
Denali Borough School District	118	1,714,000	0.03633
City And Borough of Sitka	120	16,671,000	0.35335
Chugach School District	121	1,018,000	0.02158
Ketchikan Gateway Borough	122	10,719,000	0.22719
City of Soldotna	123	7,439,000	0.15767
Iditarod Area School District	124	1,356,000	0.02874
Kuspuk School District	125	2,908,000	0.06164
City And Borough of Juneau	126	63,496,000	1.34581
City of Kodiak	128	12,274,000	0.26015
City of Fairbanks	129	15,103,000	0.32011
City of Wasilla	131	14,055,000	0.29790
Sitka Borough School District	133	4,071,000	0.08629
City of Palmer	134	7,032,000	0.14904
City And Borough of Wrangell	135	5,661,000	0.11999
City of Bethel	136	11,106,000	0.23539
Valdez City School District	137	3,865,000	0.08192
Hoonah City School District	138	704,000	0.01492
City of Nome	139	6,677,000	0.14152
City of Kotzebue	140	8,005,000	0.16967
Galena City School District	141	7,561,000	0.16026
City of Petersburg	143	8,124,000	0.17219
Bristol Bay Borough	144	5,679,000	0.12037
North Slope Borough	145	115,336,000	2.44457
Wrangell Public School District	146	1,284,000	0.02721
City of Cordova	148	5,455,000	0.11562
Nome City School District	149	1,807,000	0.03830
City of King Cove	151	1,968,000	0.04171
Alaska Housing Finance Corporation	152	31,084,000	0.65883
Lower Yukon School District	153	15,352,000	0.32539

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Schedule of Employer and Nonemployer Allocations

As of and for the year ended June 30, 2023

Employer/nonemployer	Employer/ nonemployer number	Present value of projected future contributions	Allocation percentage
Northwest Arctic Borough School District	154	\$ 12,254,000	0.25973
Southeast Island School District	155	1,557,000	0.03300
Pribilof School District	156	411,000	0.00871
Lower Kuskokwim School District	157	31,586,000	0.66947
Kodiak Island Borough School District	158	11,766,000	0.24938
Yukon Flats School District	159	1,675,000	0.03550
Yukon / Koyukuk School District	160	5,091,000	0.10790
North Slope Borough School District	161	17,910,000	0.37961
Cordova Community Medical Center	163	7,848,000	0.16634
Lake And Peninsula Borough School District	164	3,618,000	0.07668
Tanana School District	166	60,000	0.00127
Southeast Regional Resource Center	167	3,826,000	0.08109
Hydaburg City School District	168	893,000	0.01893
City of Tanana	169	—	0.00017
North Pacific Fishery Management Council	170	2,424,000	0.05138
City of Barrow	171	1,978,000	0.04192
City of Saint Paul	172	2,421,000	0.05131
Municipality of Anchorage	173	331,520,000	7.02664
Kodiak Island Borough	174	4,216,000	0.08936
Nome Joint Utility System	175	1,179,000	0.02499
City of Sand Point	176	1,447,000	0.03067
Ketchikan Gateway Borough School District	177	10,784,000	0.22857
City of Dillingham	178	4,235,000	0.08976
City of Unalaska	179	18,011,000	0.38175
Kenai Peninsula Borough	180	33,570,000	0.71152
City of Ketchikan	181	16,228,000	0.34396
City of Seward	182	8,657,000	0.18349
City of Fort Yukon	183	1,005,000	0.02130
Bristol Bay Borough School District	184	875,000	0.01855
Cordova City School District	185	1,532,000	0.03247
City of Craig	186	2,622,000	0.05557
Petersburg Medical Center	187	14,128,000	0.29945
Haines Borough	189	3,865,000	0.08192
Kenai Peninsula Borough School District	190	30,044,000	0.63679
City of North Pole	191	5,084,000	0.10776
City of Galena	192	1,528,000	0.03239
City of Nenana	193	236,000	0.00500
Yupit School District	195	3,193,000	0.06768
Nenana City School District	196	3,139,000	0.06653
City of Saxman	198	155,000	0.00329
City of Hoonah	199	1,568,000	0.03323
City of Pelican	200	273,000	0.00579
City of Whittier	202	2,662,000	0.05642
Anchorage Community Development Authority	203	1,995,000	0.04228
Craig City School District	204	1,481,000	0.03139

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Schedule of Employer and Nonemployer Allocations

As of and for the year ended June 30, 2023

Employer/nonemployer	Employer/ nonemployer number	Present value of projected future contributions	Allocation percentage
Dillingham City School District	205	\$ 2,158,000	0.04574
City of Thorne Bay	206	875,000	0.01855
City of Akutan	208	1,376,000	0.02916
Unalaska City School District	209	1,795,000	0.03805
Kashunamiut School District	211	3,577,000	0.07582
City of Homer	215	11,470,000	0.24311
Special Education Service Agency	218	159,000	0.00337
Bartlett Regional Hospital	219	65,314,000	1.38435
Northwest Arctic Borough	220	3,449,000	0.07310
Saint Mary's School District	221	1,982,000	0.04201
City of Selawik	222	—	0.00028
Bristol Bay Regional Housing Authority	223	2,136,000	0.04527
Copper River Basin Regional Housing Authority	224	1,324,000	0.02806
Skagway City School District	225	616,000	0.01306
City of Klawock	227	1,446,000	0.03065
Petersburg City School District	228	1,740,000	0.03688
Aleutians East Borough	230	1,220,000	0.02586
City of Kivalina	231	—	0.00097
City of Huslia	235	268,000	0.00568
City of Kaltag	237	56,000	0.00119
Haines Borough School District	240	1,493,000	0.03164
City of Noorvik	241	—	0.00702
City of Elim	242	—	0.00047
City of Atka	243	53,000	0.00112
Aleutians East Borough School District	244	1,767,000	0.03745
Delta/Greely School District	246	2,442,000	0.05176
Lake And Peninsula Borough	247	724,000	0.01535
City And Borough of Yakutat	248	1,505,000	0.03190
City of Unalakleet	249	—	0.00616
Klawock City School District	251	950,000	0.02014
City of Mekoryuk	254	—	0.00106
Alaska Gateway School District	255	4,000,000	0.08478
City of Saint George	256	—	0.00733
Pelican City School District	257	67,000	0.00142
Denali Borough	258	1,000,000	0.02120
City of Allakaket	259	—	0.00069
City of Kachemak	260	67,000	0.00142
Cook Inlet Housing Authority	262	19,753,000	0.41867
Interior Regional Housing Authority	263	1,734,000	0.03675
Yakutat School District	264	363,000	0.00769
Kake City School District	265	1,039,000	0.02202
Aleutian Housing Authority	267	1,053,000	0.02232
Bering Straits Regional Housing Authority	270	2,309,000	0.04894
City of Egegik	271	462,000	0.00979
Ilisagvik College	275	8,606,000	0.18241
North Pacific Rim Housing Authority	276	2,519,000	0.05339
Saxman Seaport	278	—	0.00122
Tlingit-Haida Regional Housing Authority	279	5,035,000	0.10672

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Schedule of Employer and Nonemployer Allocations

As of and for the year ended June 30, 2023

Employer/nonemployer	Employer/ nonemployer number	Present value of projected future contributions	Allocation percentage
City of Toksook Bay	280	\$ 24,000	0.00051 %
Baranof Island Housing Authority	281	1,139,000	0.02414
City of Delta Junction	282	350,000	0.00742
City of Anderson	283	—	0.00042
Inter-Island Ferry Authority	284	1,976,000	0.04188
City of Hooper Bay	285	—	0.00176
City of Seldovia	286	171,000	0.00362
City of Koyuk	287	—	0.00062
Northwest Inupiat Housing Authority	288	2,029,000	0.04301
City of Upper Kalskag	290	24,000	0.00051
City of Shaktoolik	291	53,000	0.00112
Tagiugmiullu Nunamiullu Housing Authority	293	2,888,000	0.06121
Municipality of Skagway	296	6,514,000	0.13807
City of Nulato	297	—	0.00421
City of Aniak	298	390,000	0.00827
Alaska Gasline Development Corporation	299	1,111,000	0.02355
Total present value of projected future employer contributions		<u>4,122,012,000</u>	<u>87.39937</u>
Nonemployer:			
State of Alaska	999	<u>594,503,000</u>	<u>12.60063 %</u>
Total of all participating entities		<u>\$ 4,716,515,000</u>	<u>100.00000 %</u>

See accompanying notes to schedule of employer and nonemployer allocations and schedule of pension amounts by employer and nonemployer.

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**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Schedule of Pension Amounts by Employer and Nonemployer

As of and for the year ended June 30, 2023

Employer/nonemployer	Employer/ nonemployer number	Net pension liability	Net difference between projected and actual investment earnings	Total deferred outflows of resources	Pension expense (benefit)		
					Proportionate share of allocable plan pension expense	Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	Total pension expense (benefit)
<b>Employers:</b>							
State of Alaska	101	\$ 2,570,190,461	67,085,991	67,085,991	282,878,966	(5,853,241)	277,025,725
Southwest Region School District	102	4,885,142	127,510	127,510	537,666	(970,537)	(432,871)
Annette Island School District	103	3,926,797	102,496	102,496	432,189	164,194	596,383
Bering Strait School District	104	13,993,817	365,261	365,261	1,540,180	(1,131,921)	408,259
Chatham School District	105	1,536,429	40,103	40,103	169,102	337,746	506,848
Alaska Municipal League	106	—	—	—	—	—	—
City of Valdez	107	18,303,073	477,739	477,739	2,014,463	(913,265)	1,101,198
Juneau Borough School District	108	24,455,386	638,324	638,324	2,691,596	(796,761)	1,894,835
Matanuska-Susitna Borough	109	47,318,292	1,235,081	1,235,081	5,207,921	(680,349)	4,527,572
Matanuska-Susitna Borough School District	110	58,122,754	1,517,095	1,517,095	6,397,076	(1,724,595)	4,672,481
Anchorage School District	111	165,402,459	4,317,263	4,317,263	18,204,439	(6,655,069)	11,549,370
Copper River School District	112	2,396,962	62,564	62,564	263,813	(43,533)	220,280
University of Alaska	113	213,662,610	5,576,928	5,576,928	23,516,023	9,008,616	32,524,639
City of Kenai	115	13,922,381	363,396	363,396	1,532,318	(555,099)	977,219
Fairbanks North Star Borough	116	44,033,322	1,149,339	1,149,339	4,846,372	(3,400,285)	1,446,087
Fairbanks North Star Borough School District	117	59,262,437	1,546,842	1,546,842	6,522,511	(3,668,207)	2,854,304
Denali Borough School District	118	1,883,720	49,168	49,168	207,325	(761,755)	(554,430)
City And Borough of Sitka	120	18,321,757	478,226	478,226	2,016,520	901,905	2,918,425
Chugach School District	121	1,118,802	29,202	29,202	123,137	(92,418)	30,719
Ketchikan Gateway Borough	122	11,780,392	307,487	307,487	1,296,567	1,521,071	2,817,638
City of Soldotna	123	8,175,607	213,396	213,396	899,819	26,982	926,801
Iliad Area School District	124	1,490,271	38,898	38,898	164,021	(296,317)	(132,296)
Kuspuk School District	125	3,195,949	83,419	83,419	351,751	(825,370)	(473,619)
City And Borough of Juneau	126	69,783,352	1,821,455	1,821,455	7,680,459	866,337	8,546,796
City of Kodiak	128	13,489,367	352,094	352,094	1,484,660	(1,677,873)	(193,213)
City of Fairbanks	129	16,598,494	433,247	433,247	1,826,855	755,835	2,582,690
City of Wasilla	131	15,446,721	403,184	403,184	1,700,089	(975,266)	724,823
City of Skagway	132	—	—	—	—	266	266
Sitka Borough School District	133	4,474,109	116,781	116,781	492,427	(269,015)	223,412
City of Palmer	134	7,728,306	201,721	201,721	850,589	(281,518)	569,071
City And Borough of Wrangell	135	6,221,550	162,392	162,392	684,753	(22,692)	662,061
City of Bethel	136	12,205,712	318,588	318,588	1,343,379	(1,182,564)	160,815
Valdez City School District	137	4,247,711	110,872	110,872	467,509	125,894	593,403
Hoonah City School District	138	773,710	20,195	20,195	85,156	(85,443)	(287)
City of Nome	139	7,338,154	191,537	191,537	807,648	790,070	1,597,718
City of Kotzebue	140	8,797,652	229,632	229,632	968,283	283,639	1,251,922
Galena City School District	141	8,309,688	216,896	216,896	914,577	468,398	1,382,975
City of Petersburg	143	8,928,436	233,046	233,046	982,677	(414,909)	567,768
Bristol Bay Borough	144	6,241,333	162,909	162,909	686,930	522,311	1,209,241
North Slope Borough	145	126,756,532	3,308,544	3,308,544	13,951,011	(9,519,415)	4,431,596
Wrangell Public School District	146	1,411,141	36,833	36,833	155,312	465,881	621,193
City of Cordova	148	5,995,152	156,483	156,483	659,835	213,367	873,202
Nome City School District	149	1,985,929	51,836	51,836	218,574	(320,077)	(101,503)
City of King Cove	151	2,162,871	56,454	56,454	238,049	31,192	269,241
Alaska Housing Finance Corporation	152	34,161,927	891,680	891,680	3,759,912	(1,216,725)	2,543,187
Lower Yukon School District	153	16,872,150	440,389	440,389	1,856,974	(241,181)	1,615,793
Northwest Arctic Borough School District	154	13,467,387	351,520	351,520	1,482,241	631,847	2,114,088
Southeast Island School District	155	1,711,174	44,664	44,664	188,334	418,303	606,637
Pribilof School District	156	451,697	11,790	11,790	49,714	1,626	51,340
Lower Kuskokwim School District	157	34,713,635	906,080	906,080	3,820,634	165,443	3,986,077
Kodiak Island Borough School District	158	12,931,065	337,521	337,521	1,423,212	(32,872)	1,390,340
Yukon Flats School District	159	1,840,858	48,049	48,049	202,608	8,942	211,550
Yukon / Koyukuk School District	160	5,595,109	146,041	146,041	615,806	584,572	1,200,378
North Slope Borough School District	161	19,683,442	513,769	513,769	2,166,389	(2,306,657)	(140,268)
Aleutian Region School District	162	—	—	—	—	—	—
Cordova Community Medical Center	163	8,625,106	225,129	225,129	949,292	303,733	1,253,025
Lake And Peninsula Borough School District	164	3,976,253	103,786	103,786	437,632	494,800	932,432
Sitka Community Hospital	165	—	—	—	—	10	10
Tanana School District	166	65,941	1,721	1,721	7,258	(83,600)	(76,342)
Southeast Regional Resource Center	167	4,204,849	109,753	109,753	462,792	57,083	519,875
Hydaburg City School District	168	981,425	25,617	25,617	108,017	(338,482)	(230,465)
City of Tanana	169	8,823	230	230	971	537	1,508
North Pacific Fishery Management Council	170	2,664,024	69,535	69,535	293,206	(286,884)	6,322
City of Barrow	171	2,173,861	56,741	56,741	239,258	(429,538)	(190,280)
City of Saint Paul	172	2,660,727	69,449	69,449	292,844	(1,202,720)	(909,876)
Municipality of Anchorage	173	364,346,998	9,510,026	9,510,026	40,100,569	(18,831,791)	21,268,778
Kodiak Island Borough	174	4,633,467	120,941	120,941	509,966	33,151	543,117
Nome Joint Utility System	175	1,295,744	33,821	33,821	142,612	(80,641)	61,971
City of Sand Point	176	1,590,281	41,509	41,509	175,029	(451,344)	(276,315)
Ketchikan Gateway Borough School District	177	11,851,828	309,351	309,351	1,304,430	(2,136,962)	(832,532)
City of Dillingham	178	4,654,348	121,486	121,486	512,264	28,911	541,175
City of Unalaska	179	19,794,443	516,666	516,666	2,178,606	(2,278,541)	(99,935)
Kenai Peninsula Borough	180	36,894,090	962,993	962,993	4,060,618	(649,043)	3,411,575
City of Ketchikan	181	17,834,891	465,519	465,519	1,962,934	(731,313)	1,231,621
City of Seward	182	9,514,213	248,336	248,336	1,047,148	237,715	1,284,863
City of Fort Yukon	183	1,104,515	28,830	28,830	121,565	40,067	161,632



**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Schedule of Pension Amounts by Employer and Nonemployer

As of and for the year ended June 30, 2023

Employer/nonemployer	Employer/ nonemployer number	Net pension liability	Net difference projected and actual investment earnings	Total deferred outflows of resources	Proportionate share of allocable plan pension expense	Pension expense (benefit)	
						Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	Total pension expense (benefit)
Bristol Bay Borough School District	184	\$ 961,642	25,100	25,100	105,840	(23,172)	82,668
Cordova City School District	185	1,683,698	43,947	43,947	185,310	(139,265)	46,045
City of Craig	186	2,881,630	75,215	75,215	317,156	(434,799)	(117,643)
Petersburg Medical Center	187	15,526,950	405,278	405,278	1,708,919	(1,097,854)	611,065
Haines Borough	189	4,247,711	110,872	110,872	467,509	72,325	539,834
Kenai Peninsula Borough School District	190	33,018,947	861,846	861,846	3,634,114	361,558	3,995,672
City of North Pole	191	5,587,416	145,840	145,840	614,959	76,210	691,169
City of Galena	192	1,679,302	43,832	43,832	184,826	(37,419)	147,407
City of Nenana	193	259,369	6,770	6,770	28,546	(135,472)	(106,926)
Yupit School District	195	3,509,170	91,595	91,595	386,224	(238,209)	148,015
Nenana City School District	196	3,449,823	90,046	90,046	379,693	109,968	489,661
City of Saxman	198	170,348	4,446	4,446	18,749	(60,943)	(42,194)
City of Hoonah	199	1,723,263	44,980	44,980	189,665	93,759	283,424
City of Pelican	200	300,032	7,831	7,831	33,022	68,267	101,289
City of Whittier	202	2,925,590	76,362	76,362	321,995	134,541	456,536
Anchorage Community Development Authority	203	2,192,544	57,229	57,229	241,315	(253,454)	(12,139)
Craig City School District	204	1,627,648	42,484	42,484	179,141	(229,802)	(50,661)
Dillingham City School District	205	2,371,684	61,905	61,905	261,031	(183,591)	77,440
City of Thorne Bay	206	961,642	25,100	25,100	105,840	205,934	311,774
City of Akutan	208	1,512,251	39,472	39,472	166,441	(82,888)	83,553
Unalaska City School District	209	1,972,740	51,492	51,492	217,123	(156,981)	60,142
Kashunamiut School District	211	3,931,193	102,610	102,610	432,673	149,103	581,776
City of Homer	215	12,605,756	329,030	329,030	1,387,408	242,687	1,630,095
Special Education Service Agency	218	174,744	4,561	4,561	19,233	(232,285)	(213,052)
Bartlett Regional Hospital	219	71,781,370	1,873,606	1,873,606	7,900,364	(1,472,193)	6,428,171
Northwest Arctic Borough	220	3,790,519	98,938	98,938	417,190	(800,319)	(383,129)
Saint Mary's School District	221	2,178,257	56,856	56,856	239,742	90,707	330,449
City of Selawik	222	14,658	383	383	1,613	(1,334)	279
Bristol Bay Regional Housing Authority	223	2,347,506	61,274	61,274	258,370	(174,814)	83,556
Copper River Basin Regional Housing Authority	224	1,455,102	37,980	37,980	160,151	290,072	450,223
Skagway City School District	225	676,996	17,671	17,671	74,511	73,614	148,125
City of Klawock	227	1,589,182	41,480	41,480	174,908	145,162	320,070
Petersburg City School District	228	1,912,294	49,914	49,914	210,470	(106,678)	103,792
Aleutians East Borough	230	1,340,804	34,997	34,997	147,571	(338,061)	(190,490)
City of Kivalina	231	50,467	1,317	1,317	5,554	(4,593)	961
City of Huslia	235	294,537	7,688	7,688	32,417	(4,436)	27,981
City of Kaltag	237	61,545	1,606	1,606	6,774	4,359	11,133
Haines Borough School District	240	1,640,836	42,828	42,828	180,593	(82,301)	98,292
City of Noorvik	241	363,882	9,498	9,498	40,049	(33,120)	6,929
City of Elim	242	24,206	632	632	2,664	(1,105)	1,559
City of Atka	243	58,248	1,520	1,520	6,411	(2,513)	3,898
Aleutians East Borough School District	244	1,941,968	50,688	50,688	213,736	71,706	285,442
Delta/Greely School District	246	2,683,806	70,052	70,052	295,384	54,353	349,737
Lake And Peninsula Borough	247	795,690	20,769	20,769	87,575	(881)	86,694
City And Borough of Yakutat	248	1,654,025	43,173	43,173	182,044	(9,449)	172,595
City of Unalakleet	249	319,585	8,342	8,342	35,174	(29,088)	6,086
Klawock City School District	251	1,044,069	27,252	27,252	114,912	(194,279)	(79,367)
City of Mekoryuk	254	55,025	1,436	1,436	6,056	(3,063)	2,993
Alaska Gateway School District	255	4,396,079	114,745	114,745	483,839	(550,831)	(66,992)
City of Saint George	256	380,187	9,923	9,923	41,844	(34,604)	7,240
Pelican City School District	257	73,634	1,922	1,922	8,104	11,201	19,305
Denali Borough	258	1,099,020	28,686	28,686	120,960	(37,146)	83,814
City of Allakaket	259	35,866	936	936	3,947	(3,264)	683
City of Kachemak	260	73,634	1,922	1,922	8,104	26,971	35,075
Cook Inlet Housing Authority	262	21,708,935	566,637	566,637	2,389,318	(746,057)	1,643,261
Interior Regional Housing Authority	263	1,905,700	49,742	49,742	209,744	(44,753)	164,991
Yakutat School District	264	398,944	10,413	10,413	43,908	(153,765)	(109,857)
Kake City School District	265	1,141,881	29,805	29,805	125,677	(32,864)	92,813
City of Quinhagak	266	—	—	—	—	—	—
Aleutian Housing Authority	267	1,157,268	30,206	30,206	127,371	(301,156)	(173,785)
Bering Straits Regional Housing Authority	270	2,537,636	66,236	66,236	279,296	223,674	502,970
City of Egegik	271	507,747	13,253	13,253	55,883	255,904	311,787
Ilisagvik College	275	9,458,163	246,873	246,873	1,040,979	(519,267)	521,712
North Pacific Rim Housing Authority	276	2,768,431	72,260	72,260	304,698	(25,691)	279,007
Saxman Seaport	278	63,374	1,654	1,654	6,975	11,863	18,838
Tlingit-Haida Regional Housing Authority	279	5,533,564	144,435	144,435	609,032	(97,780)	511,252
City of Toksook Bay	280	26,376	688	688	2,903	1,424	4,327
Baranof Island Housing Authority	281	1,251,783	32,674	32,674	137,773	(28,329)	109,444
City of Delta Junction	282	384,657	10,040	10,040	42,336	(122,670)	(80,334)
City of Anderson	283	21,790	569	569	2,398	(815)	1,583
Inter-Island Ferry Authority	284	2,171,663	56,684	56,684	239,016	180,365	419,381
City of Hooper Bay	285	91,143	2,379	2,379	10,031	(8,296)	1,735
City of Seldovia	286	187,935	4,905	4,905	20,684	(18,552)	2,132
City of Koyuk	287	31,909	833	833	3,512	(2,904)	608
Northwest Inupiat Housing Authority	288	2,229,911	58,204	58,204	245,427	1,282,182	1,527,609
City of Upper Kalskag	290	26,376	688	688	2,903	3,174	6,077
City of Shaktoolik	291	58,248	1,520	1,520	6,411	(79,241)	(72,830)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Schedule of Pension Amounts by Employer and Nonemployer

As of and for the year ended June 30, 2023

Employer/nonemployer	Employer/ nonemployer number	Net pension liability	Deferred outflows of resources		Pension expense (benefit)		
			Net difference between projected and actual investment earnings	Total deferred outflows of resources	Proportionate share of allocable plan pension expense	Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	Total pension expense (benefit)
Tagiugmiullu Nunamiullu Housing Authority	293	\$ 3,173,969	82,846	82,846	349,332	954,653	1,303,985
Municipality of Skagway	296	7,159,014	186,861	186,861	787,932	(99,356)	688,576
City of Nulato	297	218,367	5,700	5,700	24,034	11,791	35,825
City of Aniak	298	428,618	11,188	11,188	47,174	(122,494)	(75,320)
Alaska Gasline Development Corporation	299	1,221,011	31,870	31,870	134,386	(334,245)	(199,859)
Total attributable to employer contributions		\$ 4,531,851,514	118,288,409	118,288,409	498,782,278	(59,646,258)	439,136,020
Nonemployer:							
State of Alaska	999	653,370,486	17,053,991	17,053,991	71,910,922	59,646,258	131,557,180
Total of all participating entities		\$ 5,185,222,000	135,342,400	135,342,400	570,693,200	—	570,693,200

See accompanying notes to schedule of employer and nonemployer allocations and schedule of pension amounts by employer and nonemployer.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2023

**(1) Plan Description**

The State of Alaska Public Employees' Retirement System (the System) Defined Benefit Pension Plan (the Plan) is a cost-sharing multiple-employer defined benefit pension plan that provides pension benefits to State and local government employees.

Benefit and contribution provisions are established by Chapter 35 of Alaska Statute Title 39 and may be amended only by the state legislature. The 24<sup>th</sup> Alaska State Legislature enacted into law Senate Bill 141, which closed the Plan to new members effective July 1, 2006.

There are three tiers within the Plan:

- Tier 1 employee: Entered the System between January 1, 1961 and June 30, 1986 – 5 years of credited service.
- Tier 2 employee: Entered the System between July 1, 1986 and June 30, 1996 – 5 years of credited service.
- Tier 3 employee: Entered the System between July 1, 1996 and June 30, 2006 – 5 years of credited service for the pension plan.

Members hired prior to July 1, 1986 with five or more paid-up years of credited service are entitled to monthly pension benefits beginning at normal retirement age, 55, or early retirement age, 50. For members first hired after June 30, 1986, the normal and early retirement ages are 60 and 55, respectively. Members with 30 or more years of credited service (20 years for peace officers and firefighters) may retire at any age and receive a normal benefit.

The normal monthly pension benefit is based on years of service and average monthly compensation. For members hired prior to July 1, 1996, and all peace officers and firefighters, the average monthly compensation is based upon the members' three highest, consecutive years' salaries. For all other members hired after June 30, 1996, average monthly compensation is based upon the members' five highest, consecutive years' salaries.

The benefit related to all years of service prior to July 1, 1986 and for years of service through a total of 10 years for general members is equal to 2% of the member's average monthly compensation for each year of service. The benefit for each year over 10 years of service subsequent to June 30, 1986 is equal to 2.25% of the member's average monthly compensation for the second 10 years and 2.5% for all remaining years of service. For peace officers and firefighters, the benefit for years of service through a total of 10 years is equal to 2% of the member's average monthly compensation and 2.5% for all remaining years of service.

Minimum benefits for members eligible for retirement are \$25 per month for each year of credited service.

Married members must receive their benefits in the form of a joint and survivor annuity unless their spouse consents to another form of benefit or another person is eligible for benefits under a qualified domestic relations order.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2023

The Plan has two types of postretirement pension adjustments (PRPA). The automatic PRPA is issued annually to all eligible benefit recipients when the cost of living increases in the previous calendar year. The automatic PRPA increase is paid beginning July 1 of each year. The discretionary PRPA may be granted to eligible recipients by the Plan's Administrator if the funding ratio of the Plan meets or exceeds 105%. If both an automatic and discretionary PRPA are granted, and a retiree is eligible for both adjustments, the one that provides the retiree the greater increase will be paid.

**(2) Basis of Presentation**

The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of the Plan, its participating employers, or the State of Alaska (State) as a nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the Plan, its participating employers, or the State. The amounts presented in the Schedules are prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**(3) Allocation Methodology**

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense (benefit). The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2024 to 2039. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

**(4) Contributions**

Employer contributions are actuarially determined and adopted by the Alaska Retirement Management Board (Board). Employer contributions were 22.00% of annual payroll for the fiscal year 2023.

Alaska Statute 39.35.280 requires the State, as a nonemployer contributing entity, to contribute each July 1, or as soon after July 1 for the ensuing fiscal year, an amount that when combined with the total employer contributions is sufficient to pay the Plan's past service liability at the actuarially determined contribution rate adopted by the Board for that fiscal year.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2023

**(5) Collective Net Pension Liability**

**(a) Components of Collective Net Pension Liability**

The components of the collective net pension liability of the Plan as of June 30, 2023 are as follows:

Total pension liability	\$ 16,322,711,000
Plan fiduciary net position	<u>(11,137,489,000)</u>
Net pension liability	<u>\$ 5,185,222,000</u>

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to the measurement date of June 30, 2023. The actuarial valuation used the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	For Peace Officer/Firefighter, increases range from 8.50% to 3.85% based on service. For all others, increases range from 6.75% to 2.85% based on service.
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real return of 4.75%.
Mortality – Peace Officer / Firefighter	<p>Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time.</p> <p>Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement.</p> <p>Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement.</p> <p>Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.</p>

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2023

Mortality – Others

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time.

Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement.

Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement.

Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation with the following exceptions:

1. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2023

**(b) Long-Term Expected Rate of Return**

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the plan's target asset allocation as of June 30, 2023 are summarized in the following table (note that the rates shown below exclude an inflation component of 2.50%).

<u>Asset class</u>	<u>Target asset allocation</u>	<u>Long-term expected real rate of return</u>
Broad domestic equity	27.00%	6.17%
Global equity (non-U.S.)	22.00	6.55
Aggregate bonds	23.00	1.63
Real assets	14.00	4.87
Private equity	14.00	11.57
Cash equivalents	—	0.49

**(c) Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer and nonemployer contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**(d) Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability as of June 30, 2023, calculated using the discount rate of 7.25%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

<u>1% decrease (6.25%)</u>	<u>Current discount rate (7.25%)</u>	<u>1% increase (8.25%)</u>
\$ 6,961,145,000	5,185,222,000	3,685,090,000

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2023

**(6) Collective Deferred Outflows of Resources and Deferred Inflows of Resources**

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2023:

	<u>Year of deferral</u>	<u>Amortization period</u>	<u>Beginning of year balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of year balance</u>
Deferred outflows of resources:						
Difference between expected and actual experience	2023	1.0 years	\$ —	193,787,000	193,787,000	—
Difference between projected and actual investment earnings on pension plan investments	2019	5 years	\$ 27,081,000	—	27,081,000	—
	2020	5 years	124,388,800	—	62,194,400	62,194,400
	2021	5 years	(1,261,947,600)	—	(420,649,200)	(841,298,400)
	2022	5 years	1,256,198,400	—	314,049,600	942,148,800
	2023	5 years	—	(34,628,000)	(6,925,600)	(27,702,400)
			<u>\$ 145,720,600</u>	<u>(34,628,000)</u>	<u>(24,249,800)</u>	<u>135,342,400</u>
Total deferred outflows of resources			<u>\$ 145,720,600</u>	<u>159,159,000</u>	<u>169,537,200</u>	<u>135,342,400</u>

The previous amounts do not include employer and nonemployer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer and nonemployer over the average of the expected remaining service lives of all plan members, which is 1.0 years for the 2023 amount.

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2024	\$ (51,330,800)
2025	(113,525,200)
2026	307,124,000
2027	<u>(6,925,600)</u>
Total	<u>\$ 135,342,400</u>



**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2023

**(7) Collective Pension Expense**

The components of the collective pension expense (excluding employer specific amounts) for the year ending June 30, 2023 are as follows:

Service cost	\$ 116,137,000
Interest on total pension liability	1,122,591,000
Member contributions	(79,968,000)
Administrative expense	7,842,000
Expected investment return net of investment expenses	(765,278,000)
Other	(168,000)
Recognition (amortization) of deferred outflows/inflows of resources:	
Difference between expected and actual experience	193,787,000
Difference between projected and actual investment earnings on pension plan investments	<u>(24,249,800)</u>
Total pension expense	<u>\$ 570,693,200</u>

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Employer Allocations of Special Funding Amounts (Unaudited)

As of and for the year ended June 30, 2023

Employer	Employer number	Present value of projected future State contributions	Employer proportionate share
Southwest Region School District	102	\$ 1,482,000	0.24928 %
Annette Island School District	103	1,191,000	0.20034
Bering Strait School District	104	4,246,000	0.71421
Chatham School District	105	468,000	0.07872
Alaska Municipal League	106	—	—
City of Valdez	107	5,551,000	0.93372
Juneau Borough School District	108	7,420,000	1.24810
Matanuska-Susitna Borough	109	14,351,000	2.41395
Matanuska-Susitna Borough School District	110	17,631,000	2.96567
Anchorage School District	111	50,172,000	8.43932
Copper River School District	112	727,000	0.12229
University of Alaska	113	64,812,000	10.90188
City of Kenai	115	4,223,000	0.71034
Fairbanks North Star Borough	116	13,358,000	2.24692
Fairbanks North Star Borough School District	117	17,978,000	3.02404
Denali Borough School District	118	574,000	0.09655
City And Borough of Sitka	120	5,559,000	0.93507
Chugach School District	121	339,000	0.05702
Ketchikan Gateway Borough	122	3,572,000	0.60084
City of Soldotna	123	2,479,000	0.41699
Iditarod Area School District	124	453,000	0.07620
Kuspuk School District	125	968,000	0.16283
City And Borough of Juneau	126	21,169,000	3.56079
City of Kodiak	128	4,093,000	0.68847
City of Fairbanks	129	5,035,000	0.84693
City of Wasilla	131	4,685,000	0.78805
Sitka Borough School District	133	1,355,000	0.22792
City of Palmer	134	2,345,000	0.39445
City And Borough of Wrangell	135	1,889,000	0.31774
City of Bethel	136	3,699,000	0.62220
Valdez City School District	137	1,288,000	0.21665
Hoonah City School District	138	234,000	0.03936
City of Nome	139	2,226,000	0.37443
City of Kotzebue	140	2,667,000	0.44861
Galena City School District	141	2,521,000	0.42405
City of Petersburg	143	2,710,000	0.45584
Bristol Bay Borough	144	1,891,000	0.31808
North Slope Borough	145	38,449,000	6.46742
Wrangell Public School District	146	428,000	0.07199
City of Cordova	148	1,817,000	0.30563
Nome City School District	149	603,000	0.10143
City of King Cove	151	657,000	0.11051
Alaska Housing Finance Corporation	152	10,360,000	1.74263
Lower Yukon School District	153	5,117,000	0.86072
Northwest Arctic Borough School District	154	4,085,000	0.68713
Southeast Island School District	155	518,000	0.08713
Pribilof School District	156	140,000	0.02355
Lower Kuskokwim School District	157	10,530,000	1.77123

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Employer Allocations of Special Funding Amounts (Unaudited)

As of and for the year ended June 30, 2023

Employer	Employer number	Present value of projected future State contributions	Employer proportionate share
Kodiak Island Borough School District	158	\$ 3,921,000	0.65954 %
Yukon Flats School District	159	558,000	0.09386
Yukon / Koyukuk School District	160	1,696,000	0.28528
North Slope Borough School District	161	5,970,000	1.00420
Cordova Community Medical Center	163	2,616,000	0.44003
Lake And Peninsula Borough School District	164	1,204,000	0.20252
Tanana School District	166	19,000	0.00320
Southeast Regional Resource Center	167	1,273,000	0.21413
Hydaburg City School District	168	300,000	0.05046
City of Tanana	169	—	—
North Pacific Fishery Management Council	170	809,000	0.13608
City of Barrow	171	659,000	0.11085
City of Saint Paul	172	808,000	0.13591
Municipality of Anchorage	173	110,518,000	18.58998
Kodiak Island Borough	174	1,405,000	0.23633
Nome Joint Utility System	175	391,000	0.06577
City of Sand Point	176	482,000	0.08108
Ketchikan Gateway Borough School District	177	3,594,000	0.60454
City of Dillingham	178	1,409,000	0.23700
City of Unalaska	179	6,003,000	1.00975
Kenai Peninsula Borough	180	11,192,000	1.88258
City of Ketchikan	181	5,409,000	0.90984
City of Seward	182	2,887,000	0.48562
City of Fort Yukon	183	335,000	0.05635
Bristol Bay Borough School District	184	292,000	0.04912
Cordova City School District	185	511,000	0.08595
City of Craig	186	874,000	0.14701
Petersburg Medical Center	187	4,709,000	0.79209
Haines Borough	189	1,288,000	0.21665
Kenai Peninsula Borough School District	190	10,014,000	1.68443
City of North Pole	191	1,695,000	0.28511
City of Galena	192	510,000	0.08579
City of Nenana	193	78,000	0.01312
Yupit School District	195	1,063,000	0.17880
Nenana City School District	196	1,046,000	0.17595
City of Saxman	198	52,000	0.00875
City of Hoonah	199	523,000	0.08797
City of Pelican	200	92,000	0.01548
City of Whittier	202	888,000	0.14937
Anchorage Community Development Authority	203	663,000	0.11152
Craig City School District	204	494,000	0.08309
Dillingham City School District	205	720,000	0.12111
City of Thorne Bay	206	292,000	0.04912
City of Akutan	208	457,000	0.07687
Unalaska City School District	209	598,000	0.10059
Kashunamiut School District	211	1,192,000	0.20050
City of Homer	215	3,824,000	0.64323
Special Education Service Agency	218	53,000	0.00892

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Employer Allocations of Special Funding Amounts (Unaudited)

As of and for the year ended June 30, 2023

Employer	Employer number	Present value of projected future State contributions	Employer proportionate share
Bartlett Regional Hospital	219	\$ 21,772,000	3.66222 %
Northwest Arctic Borough	220	1,149,000	0.19327
Saint Mary's School District	221	660,000	0.11102
City of Selawik	222	—	—
Bristol Bay Regional Housing Authority	223	711,000	0.11960
Copper River Basin Regional Housing Authority	224	441,000	0.07418
Skagway City School District	225	206,000	0.03465
City of Klawock	227	481,000	0.08091
Petersburg City School District	228	579,000	0.09739
Aleutians East Borough	230	406,000	0.06829
City of Kivalina	231	—	—
City of Huslia	235	90,000	0.01514
City of Kaltag	237	18,000	0.00303
Haines Borough School District	240	497,000	0.08360
City of Noorvik	241	—	—
City of Elim	242	—	—
City of Atka	243	18,000	0.00303
Aleutians East Borough School District	244	590,000	0.09924
Delta/Greely School District	246	813,000	0.13675
Lake And Peninsula Borough	247	242,000	0.04071
City And Borough of Yakutat	248	500,000	0.08410
City of Unalakleet	249	—	—
Klawock City School District	251	319,000	0.05366
City of Mekoryuk	254	—	—
Alaska Gateway School District	255	1,334,000	0.22439
City of Saint George	256	—	—
Pelican City School District	257	22,000	0.00370
Denali Borough	258	333,000	0.05601
City of Allakaket	259	—	—
City of Kachemak	260	22,000	0.00370
Cook Inlet Housing Authority	262	6,584,000	1.10748
Interior Regional Housing Authority	263	578,000	0.09722
Yakutat School District	264	121,000	0.02035
Take City School District	265	347,000	0.05837
Aleutian Housing Authority	267	350,000	0.05887
Bering Straits Regional Housing Authority	270	771,000	0.12969
City of Egegik	271	154,000	0.02590
Ilisagvik College	275	2,869,000	0.48259
North Pacific Rim Housing Authority	276	840,000	0.14129
Saxman Seaport	278	—	—
Tlingit-Haida Regional Housing Authority	279	1,678,000	0.28225
City of Toksook Bay	280	8,000	0.00135
Baranof Island Housing Authority	281	379,000	0.06375
City of Delta Junction	282	115,000	0.01934
City of Anderson	283	—	—

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Employer Allocations of Special Funding Amounts (Unaudited)

As of and for the year ended June 30, 2023

Employer	Employer number	Present value of projected future State contributions	Employer proportionate share
Inter-Island Ferry Authority	284	\$ 659,000	0.11085 %
City of Hooper Bay	285	—	—
City of Seldovia	286	56,000	0.00942
City of Koyuk	287	—	—
Northwest Inupiat Housing Authority	288	675,000	0.11354
City of Upper Kalskag	290	8,000	0.00135
City of Shaktoolik	291	18,000	0.00303
Tagiugmiullu Nunamiullu Housing Authority	293	965,000	0.16232
Municipality of Skagway	296	2,170,000	0.36501
City of Nulato	297	—	—
City of Aniak	298	131,000	0.02204
Alaska Gasline Development Corporation	299	373,000	0.06274
		<u>\$ 594,503,000</u>	<u>100.00000 %</u>

See accompanying independent auditors' report

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Special Funding Amounts by Employer (Unaudited)

As of and for the year ended June 30, 2023

Employer	Employer number	State proportionate share of net pension liability attributable to employer	Employer pension expense and related revenue attributable to special funding situation
Southwest Region School District	102	\$ 1,628,747	179,262
Annette Island School District	103	1,308,932	144,063
Bering Strait School District	104	4,666,437	513,595
Chatham School District	105	514,341	56,609
Alaska Municipal League	106	—	—
City of Valdez	107	6,100,658	671,447
Juneau Borough School District	108	8,154,726	897,521
Matanuska-Susitna Borough	109	15,772,031	1,735,893
Matanuska-Susitna Borough School District	110	19,376,816	2,132,641
Anchorage School District	111	55,140,014	6,068,793
Copper River School District	112	798,987	87,938
University of Alaska	113	71,229,662	7,839,643
City of Kenai	115	4,641,160	510,813
Fairbanks North Star Borough	116	14,680,705	1,615,780
Fairbanks North Star Borough School District	117	19,758,175	2,174,614
Denali Borough School District	118	630,837	69,431
City And Borough of Sitka	120	6,109,450	672,415
Chugach School District	121	372,568	41,005
Ketchikan Gateway Borough	122	3,925,698	432,068
City of Soldotna	123	2,724,470	299,859
Iditarod Area School District	124	497,856	54,795
Kuspuk School District	125	1,063,851	117,089
City And Borough of Juneau	126	23,265,147	2,560,597
City of Kodiak	128	4,498,287	495,088
City of Fairbanks	129	5,533,564	609,032
City of Wasilla	131	5,148,907	566,696
Sitka Borough School District	133	1,489,172	163,900
City of Palmer	134	2,577,201	283,651
City And Borough of Wrangell	135	2,076,048	228,493
City of Bethel	136	4,065,274	447,430
Valdez City School District	137	1,415,537	155,796
Hoonah City School District	138	257,171	28,305
City of Nome	139	2,446,418	269,256
City of Kotzebue	140	2,931,085	322,600
Galena City School District	141	2,770,629	304,939
City of Petersburg	143	2,978,343	327,801
Bristol Bay Borough	144	2,078,246	228,735
North Slope Borough	145	42,256,207	4,650,781
Wrangell Public School District	146	470,380	51,771
City of Cordova	148	1,996,919	219,784
Nome City School District	149	662,709	72,939
City of King Cove	151	722,056	79,471

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Special Funding Amounts by Employer (Unaudited)

As of and for the year ended June 30, 2023

Employer	Employer number	State proportionate share of net pension liability attributable to employer	Employer pension expense and related revenue attributable to special funding situation
Alaska Housing Finance Corporation	152	\$ 11,385,844	1,253,143
Lower Yukon School District	153	5,623,684	618,951
Northwest Arctic Borough School District	154	4,489,495	494,120
Southeast Island School District	155	569,292	62,657
Pribilof School District	156	153,863	16,934
Lower Kuskokwim School District	157	11,572,677	1,273,706
Kodiak Island Borough School District	158	4,309,256	474,283
Yukon Flats School District	159	613,253	67,496
Yukon / Koyukuk School District	160	1,863,937	205,148
North Slope Borough School District	161	6,561,147	722,130
Cordova Community Medical Center	163	2,875,035	316,431
Lake And Peninsula Borough School District	164	1,323,220	145,636
Tanana School District	166	20,881	2,298
Southeast Regional Resource Center	167	1,399,052	153,982
Hydaburg City School District	168	329,706	36,288
City of Tanana	169	—	—
North Pacific Fishery Management Council	170	889,107	97,856
City of Barrow	171	724,254	79,712
City of Saint Paul	172	888,008	97,735
Municipality of Anchorage	173	121,461,460	13,368,228
Kodiak Island Borough	174	1,544,123	169,948
Nome Joint Utility System	175	429,717	47,295
City of Sand Point	176	529,727	58,303
Ketchikan Gateway Borough School District	177	3,949,877	434,729
City of Dillingham	178	1,548,519	170,432
City of Unalaska	179	6,597,415	726,121
Kenai Peninsula Borough	180	12,300,228	1,353,781
City of Ketchikan	181	5,944,597	654,271
City of Seward	182	3,172,870	349,211
City of Fort Yukon	183	368,172	40,522
Bristol Bay Borough School District	184	320,914	35,320
Cordova City School District	185	561,599	61,810
City of Craig	186	960,543	105,719
Petersburg Medical Center	187	5,175,284	569,599
Haines Borough	189	1,415,537	155,796
Kenai Peninsula Borough School District	190	11,005,583	1,211,291
City of North Pole	191	1,862,838	205,027
City of Galena	192	560,500	61,689
City of Nenana	193	85,724	9,435
Yupit School District	195	1,168,258	128,580
Nenana City School District	196	1,149,575	126,524
City of Saxman	198	57,149	6,290

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Special Funding Amounts by Employer (Unaudited)

As of and for the year ended June 30, 2023

<b>Employer</b>	<b>Employer number</b>	<b>State proportionate share of net pension liability attributable to employer</b>	<b>Employer pension expense and related revenue attributable to special funding situation</b>
City of Hoonah	199	\$ 574,787	63,262
City of Pelican	200	101,110	11,128
City of Whittier	202	975,929	107,412
Anchorage Community Development Authority	203	728,650	80,196
Craig City School District	204	542,916	59,754
Dillingham City School District	205	791,294	87,091
City of Thorne Bay	206	320,914	35,320
City of Akutan	208	502,252	55,279
Unalaska City School District	209	657,214	72,334
Kashunamiut School District	211	1,310,031	144,184
City of Homer	215	4,202,651	462,550
Special Education Service Agency	218	58,248	6,411
Bartlett Regional Hospital	219	23,927,856	2,633,535
Northwest Arctic Borough	220	1,262,774	138,983
Saint Mary's School District	221	725,353	79,833
City of Selawik	222	—	—
Bristol Bay Regional Housing Authority	223	781,403	86,002
Copper River Basin Regional Housing Authority	224	484,668	53,343
Skagway City School District	225	226,398	24,918
City of Klawock	227	528,628	58,182
Petersburg City School District	228	636,332	70,036
Aleutians East Borough	230	446,202	49,110
City of Kivalina	231	—	—
City of Huslia	235	98,912	10,886
City of Kaltag	237	19,782	2,177
Haines Borough School District	240	546,213	60,117
City of Noorvik	241	—	—
City of Elim	242	—	—
City of Atka	243	19,782	2,177
Aleutians East Borough School District	244	648,422	71,366
Delta/Greely School District	246	893,503	98,340
Lake And Peninsula Borough	247	265,963	29,272
City And Borough of Yakutat	248	549,510	60,480
City of Unalakleet	249	—	—
Klawock City School District	251	350,587	38,586
City of Mekoryuk	254	—	—



**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Special Funding Amounts by Employer (Unaudited)

As of and for the year ended June 30, 2023

Employer	Employer number	State proportionate share of net pension liability attributable to employer	Employer pension expense and related revenue attributable to special funding situation
Alaska Gateway School District	255	\$ 1,466,092	161,360
City of Saint George	256	—	—
Pelican City School District	257	24,178	2,661
Denali Borough	258	365,974	40,280
City of Allakaket	259	—	—
City of Kachemak	260	24,178	2,661
Cook Inlet Housing Authority	262	7,235,945	796,399
Interior Regional Housing Authority	263	635,233	69,915
Yakutat School District	264	132,981	14,636
Kake City School District	265	381,360	41,973
Aleutian Housing Authority	267	384,657	42,336
Bering Straits Regional Housing Authority	270	847,344	93,260
City of Egegik	271	169,249	18,628
Illisagvik College	275	3,153,087	347,033
North Pacific Rim Housing Authority	276	923,177	101,606
Saxman Seaport	278	—	—
Tlingit-Haida Regional Housing Authority	279	1,844,155	202,970
City of Toksook Bay	280	8,792	968
Baranof Island Housing Authority	281	416,528	45,844
City of Delta Junction	282	126,387	13,910
City of Anderson	283	—	—
Inter-Island Ferry Authority	284	724,254	79,712
City of Hooper Bay	285	—	—
City of Seldovia	286	61,545	6,774
City of Koyuk	287	—	—
Northwest Inupiat Housing Authority	288	741,838	81,648
City of Upper Kalskag	290	8,792	968
City of Shaktoolik	291	19,782	2,177
Tagiugmiullu Nunamiullu Housing Authority	293	1,060,554	116,726
Municipality of Skagway	296	2,384,873	262,483
City of Nulato	297	—	—
City of Aniak	298	143,972	15,846
Alaska Gasline Development Corporation	299	409,934	45,118
Total for all employers		\$ 653,370,486	71,910,922

See accompanying independent auditors' report

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Employer and Nonemployer Contributions (Unaudited)

For the year ended June 30, 2023

<u>Employer/nonemployer</u>	<u>Employer number</u>	<u>Actual contributions</u>
Employer:		
State of Alaska	101	\$ 238,493,773
Southwest Region School District	102	503,256
Annette Island School District	103	270,855
Bering Strait School District	104	1,253,403
Chatham School District	105	110,765
Alaska Municipal League	106	—
City of Valdez	107	1,942,591
Juneau Borough School District	108	2,136,793
Matanuska-Susitna Borough	109	4,635,876
Matanuska-Susitna Borough School District	110	4,884,485
Anchorage School District	111	15,006,658
Copper River School District	112	218,398
University of Alaska	113	24,371,865
City of Kenai	115	1,418,830
Fairbanks North Star Borough	116	4,446,650
Fairbanks North Star Borough School District	117	5,109,670
Denali Borough School District	118	139,377
City And Borough of Sitka	120	2,961,549
Chugach School District	121	123,881
Ketchikan Gateway Borough	122	1,275,529
City of Soldotna	123	878,640
Iditarod Area School District	124	132,712
Kuspuk School District	125	286,707
City And Borough of Juneau	126	7,426,878
City of Kodiak	128	1,367,663
City of Fairbanks	129	1,544,688
City of Wasilla	131	1,627,111
City of Skagway	132	266
Sitka Borough School District	133	386,984
City of Palmer	134	751,890
City And Borough of Wrangell	135	733,458
City of Bethel	136	1,171,842
Valdez City School District	137	372,330
Hoonah City School District	138	93,386
City of Nome	139	785,202
City of Kotzebue	140	789,394
Galena City School District	141	825,749
City of Petersburg	143	842,661
Bristol Bay Borough	144	710,151
North Slope Borough	145	12,966,592
Wrangell Public School District	146	116,077
City of Cordova	148	616,067
Nome City School District	149	296,920
City of King Cove	151	214,778
Alaska Housing Finance Corporation	152	3,549,919
Lower Yukon School District	153	1,425,825

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Employer and Nonemployer Contributions (Unaudited)

For the year ended June 30, 2023

Employer/nonemployer	Employer number	Actual contributions
Northwest Arctic Borough School District	154	\$ 1,373,756
Southeast Island School District	155	125,090
Pribilof School District	156	81,237
Lower Kuskokwim School District	157	3,325,551
Kodiak Island Borough School District	158	1,093,114
Yukon Flats School District	159	150,524
Yukon / Koyukuk School District	160	548,371
North Slope Borough School District	161	1,987,468
Aleutian Region School District	162	—
Cordova Community Medical Center	163	768,198
Lake And Peninsula Borough School District	164	290,280
Sitka Community Hospital	165	10
Tanana School District	166	22,274
Southeast Regional Resource Center	167	413,161
Hydaburg City School District	168	9,692
City of Tanana	169	1,340
North Pacific Fishery Management Council	170	305,473
City of Barrow	171	202,255
City of Saint Paul	172	241,873
Municipality of Anchorage	173	39,476,994
Kodiak Island Borough	174	466,772
Nome Joint Utility System	175	222,662
City of Sand Point	176	168,553
Ketchikan Gateway Borough School District	177	1,052,360
City of Dillingham	178	498,406
City of Unalaska	179	2,013,217
Kenai Peninsula Borough	180	3,867,725
City of Ketchikan	181	2,029,466
City of Seward	182	945,260
City of Fort Yukon	183	56,361
Bristol Bay Borough School District	184	73,631
Cordova City School District	185	162,283
City of Craig	186	298,555
Petersburg Medical Center	187	1,538,642
Haines Borough	189	439,788
Kenai Peninsula Borough School District	190	3,089,882
City of North Pole	191	535,163
City of Galena	192	154,601
City of Nenana	193	17,859
Yupiiit School District	195	332,637
Nenana City School District	196	312,887
City of Saxman	198	10,853
City of Hoonah	199	186,191
City of Pelican	200	28,036
City of Whittier	202	279,799

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Employer and Nonemployer Contributions (Unaudited)

For the year ended June 30, 2023

<u>Employer/nonemployer</u>	<u>Employer number</u>	<u>Actual contributions</u>
Anchorage Community Development Authority	203	\$ 223,570
Craig City School District	204	133,366
Dillingham City School District	205	242,107
City of Thorne Bay	206	72,786
City of Akutan	208	157,716
Unalaska City School District	209	215,052
Kashunamiut School District	211	344,387
City of Homer	215	1,332,818
Special Education Service Agency	218	32,656
Bartlett Regional Hospital	219	7,115,316
Northwest Arctic Borough	220	440,690
Saint Mary's School District	221	156,478
City of Selawik	222	—
Bristol Bay Regional Housing Authority	223	236,563
Copper River Basin Regional Housing Authority	224	156,450
Skagway City School District	225	70,828
City of Klawock	227	132,268
Petersburg City School District	228	178,940
Aleutians East Borough	230	167,271
City of Kivalina	231	—
City of Huslia	235	30,496
City of Kaltag	237	8,407
Haines Borough School District	240	153,950
City of Noorvik	241	—
City of Elim	242	1,098
City of Atka	243	7,683
Aleutians East Borough School District	244	172,156
Delta/Greely School District	246	204,928
Lake And Peninsula Borough	247	69,840
City And Borough of Yakutat	248	174,700
City of Unalakleet	249	—
Klawock City School District	251	108,582
City of Mekoryuk	254	1,945
Alaska Gateway School District	255	345,311
City of Saint George	256	—
Pelican City School District	257	21,310
Denali Borough	258	99,421
City of Allakaket	259	—
City of Kachemak	260	4,071
Cook Inlet Housing Authority	262	2,076,733
Interior Regional Housing Authority	263	257,564
Yakutat School District	264	44,032
Kake City School District	265	94,182
City of Quinhagak	266	—
Aleutian Housing Authority	267	162,477

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Employer and Nonemployer Contributions (Unaudited)

For the year ended June 30, 2023

<u>Employer/nonemployer</u>	<u>Employer number</u>	<u>Actual contributions</u>
Bering Straits Regional Housing Authority	270	\$ 234,256
City of Egegik	271	50,545
Ilisagvik College	275	978,260
North Pacific Rim Housing Authority	276	311,440
Saxman Seaport	278	17,631
Tlingit-Haida Regional Housing Authority	279	507,814
City of Toksook Bay	280	6,145
Baranof Island Housing Authority	281	143,511
City of Delta Junction	282	44,559
City of Anderson	283	1,168
Inter-Island Ferry Authority	284	215,525
City of Hooper Bay	285	—
City of Seldovia	286	13,848
City of Koyuk	287	—
Northwest Inupiat Housing Authority	288	139,275
City of Upper Kalskag	290	7,895
City of Shaktoolik	291	3,572
Tagiugmiullu Nunamiullu Housing Authority	293	325,329
Municipality of Skagway	296	908,713
City of Nulato	297	31,666
City of Aniak	298	32,067
Alaska Gasline Development Corporation	299	173,346
Total employer contributions		<u>438,011,057</u>
Nonemployer:		
State of Alaska	999	<u>33,933,000</u>
Total of all participating entities		<u>\$ 471,944,057</u>

See accompanying independent auditors' report.



**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Schedule of Employer and Nonemployer Allocations and  
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2023

(With Independent Auditors' Report Thereon)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

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KPMG LLP  
Suite 600  
701 West Eighth Avenue  
Anchorage, AK 99501

## Independent Auditors' Report

The Division of Retirement and Benefits and  
Members of the Alaska Retirement Management Board  
State of Alaska Public Employees' Retirement System

### *Opinions*

We have audited the schedule of employer and nonemployer allocations of the State of Alaska Public Employees' Retirement System Alaska Retiree Healthcare Trust (the Plan) as of and for the year ended June 30, 2023, and the related notes. We have also audited the total for all participating entities of the columns titled net OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (benefit) (specified column totals) included in the accompanying schedule of OPEB amounts by employer and nonemployer of the Plan as of and for the year ended June 30, 2023, and the related notes.

In our opinion, the accompanying schedules referred to above present fairly, in all material respects, the employer and nonemployer allocations and net OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (benefit) for the total of all participating entities for the Plan as of and for the year ended June 30, 2023, in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Schedules*

Management is responsible for the preparation and fair presentation of these schedules in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibilities for the Audit of the Schedules*

Our objectives are to obtain reasonable assurance about whether the schedule of employer and nonemployer allocations and specified column totals included in the schedule of OPEB amounts by employer and nonemployer are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a





reasonable user based on the schedule of employer and nonemployer allocations and specified column totals included in the schedule of OPEB amounts by employer and nonemployer.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule of employer and nonemployer allocations and specified column totals included in the schedule of OPEB amounts by employer and nonemployer, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts in the schedule of employer and nonemployer allocations and specified column totals included in the schedule of OPEB amounts by employer and nonemployer, and the related disclosures.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule of employer and nonemployer allocations and specified column totals included in the schedule of OPEB amounts by employer and nonemployer.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### *Other Matter*

We have audited, in accordance with GAAS, the financial statements of the State of Alaska Public Employees' Retirement System as of and for the year ended June 30, 2023, and our report thereon, dated October 12, 2023, expressed an unmodified opinion on those financial statements.

#### *Other Information*

The supplemental schedule of employer allocations of special funding amounts, supplemental schedule of special funding amounts by employer, and supplemental schedule of employer and nonemployer contributions have not been subject to the auditing procedures applied in the audit of the schedule of employer and nonemployer allocations and schedule of OPEB amounts by employer and nonemployer and accordingly, we do not express an opinion or provide any assurance on them.

#### *Restriction on Use*

Our report is intended solely for the information and use of the State of Alaska Public Employees' Retirement System management, Alaska Management Retirement Board, State of Alaska Public Employees' Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

*KPMG LLP*

Anchorage, Alaska  
December 21, 2023

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Schedule of Employer and Nonemployer Allocations

As of and for the year ended June 30, 2023

Employer/nonemployer	Employer/ nonemployer number	Present value of projected future contributions	Allocation percentage
Employer:			
State of Alaska	101	\$ 919,590,000	49.57831 %
Southwest Region School District	102	1,745,000	0.09408
Annette Island School District	103	1,401,000	0.07553
Bering Strait School District	104	4,994,000	0.26924
Chatham School District	105	550,000	0.02965
Alaska Municipal League	106	—	—
City of Valdez	107	6,532,000	0.35216
Juneau Borough School District	108	8,730,000	0.47066
Matanuska-Susitna Borough	109	16,886,000	0.91038
Matanuska-Susitna Borough School District	110	20,747,000	1.11854
Anchorage School District	111	59,037,000	3.18289
Copper River School District	112	855,000	0.04610
University of Alaska	113	76,264,000	4.11166
City of Kenai	115	4,969,000	0.26790
Fairbanks North Star Borough	116	15,715,000	0.84725
Fairbanks North Star Borough School District	117	21,154,000	1.14049
Denali Borough School District	118	673,000	0.03628
City And Borough of Sitka	120	6,541,000	0.35265
Chugach School District	121	401,000	0.02162
Ketchikan Gateway Borough	122	4,203,000	0.22660
City of Soldotna	123	2,920,000	0.15743
Iditarod Area School District	124	532,000	0.02868
Kuspuk School District	125	1,143,000	0.06162
City And Borough of Juneau	126	24,909,000	1.34293
City of Kodiak	128	4,815,000	0.25959
City of Fairbanks	129	5,925,000	0.31944
City of Wasilla	131	5,514,000	0.29728
Sitka Borough School District	133	1,596,000	0.08605
City of Palmer	134	2,760,000	0.14880
City And Borough of Wrangell	135	2,220,000	0.11969
City of Bethel	136	4,356,000	0.23485
Valdez City School District	137	1,515,000	0.08168
Hoonah City School District	138	278,000	0.01499
City of Nome	139	2,622,000	0.14136
City of Kotzebue	140	3,139,000	0.16923
Galena City School District	141	2,964,000	0.15980
City of Petersburg	143	3,187,000	0.17182
Bristol Bay Borough	144	2,226,000	0.12001
North Slope Borough	145	45,243,000	2.43921
Wrangell Public School District	146	504,000	0.02717
City of Cordova	148	2,140,000	0.11537
Nome City School District	149	710,000	0.03828
City of King Cove	151	774,000	0.04173
Alaska Housing Finance Corporation	152	12,192,000	0.65731
Lower Yukon School District	153	6,018,000	0.32445
Northwest Arctic Borough School District	154	4,806,000	0.25911
Southeast Island School District	155	610,000	0.03289
Pribilof School District	156	160,000	0.00863
Lower Kuskokwim School District	157	12,390,000	0.66799
Kodiak Island Borough School District	158	4,617,000	0.24892
Yukon Flats School District	159	657,000	0.03542

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Schedule of Employer and Nonemployer Allocations

As of and for the year ended June 30, 2023

Employer/nonemployer	Employer/ nonemployer number	Present value of projected future contributions	Allocation percentage
Yukon / Koyukuk School District	160	\$ 1,997,000	0.10767 %
North Slope Borough School District	161	7,028,000	0.37890
Cordova Community Medical Center	163	3,079,000	0.16600
Lake And Peninsula Borough School District	164	1,419,000	0.07650
Tanana School District	166	22,000	0.00119
Southeast Regional Resource Center	167	1,501,000	0.08092
Hydaburg City School District	168	350,000	0.01887
City of Tanana	169	—	0.00029
North Pacific Fishery Management Council	170	953,000	0.05138
City of Barrow	171	776,000	0.04184
City of Saint Paul	172	951,000	0.05127
Municipality of Anchorage	173	130,049,000	7.01140
Kodiak Island Borough	174	1,653,000	0.08912
Nome Joint Utility System	175	462,000	0.02491
City of Sand Point	176	567,000	0.03057
Ketchikan Gateway Borough School District	177	4,230,000	0.22805
City of Dillingham	178	1,661,000	0.08955
City of Unalaska	179	7,066,000	0.38095
Kenai Peninsula Borough	180	13,171,000	0.71009
City of Ketchikan	181	6,367,000	0.34327
City of Seward	182	3,395,000	0.18304
City of Fort Yukon	183	396,000	0.02135
Bristol Bay Borough School District	184	342,000	0.01844
Cordova City School District	185	601,000	0.03240
City of Craig	186	1,027,000	0.05537
Petersburg Medical Center	187	5,543,000	0.29884
Haines Borough	189	1,515,000	0.08168
Kenai Peninsula Borough School District	190	11,785,000	0.63537
City of North Pole	191	1,994,000	0.10750
City of Galena	192	600,000	0.03235
City of Nenana	193	93,000	0.00501
Yupit School District	195	1,254,000	0.06761
Nenana City School District	196	1,232,000	0.06642
City of Saxman	198	61,000	0.00329
City of Hoonah	199	613,000	0.03305
City of Pelican	200	107,000	0.00577
City of Whittier	202	1,043,000	0.05623
Anchorage Community Development Authority	203	782,000	0.04216
Craig City School District	204	581,000	0.03132
Dillingham City School District	205	849,000	0.04577
City of Thorne Bay	206	342,000	0.01844
City of Akutan	208	540,000	0.02911
Unalaska City School District	209	704,000	0.03796
Kashunamiut School District	211	1,403,000	0.07564
City of Homer	215	4,497,000	0.24245
Special Education Service Agency	218	62,000	0.00334
Bartlett Regional Hospital	219	25,621,000	1.38132
Northwest Arctic Borough	220	1,353,000	0.07294
Saint Mary's School District	221	777,000	0.04189
Bristol Bay Regional Housing Authority	223	838,000	0.04518
Copper River Basin Regional Housing Authority	224	518,000	0.02793

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Schedule of Employer and Nonemployer Allocations

As of and for the year ended June 30, 2023

Employer/nonemployer	Employer/ nonemployer number	Present value of projected future contributions	Allocation percentage
Skagway City School District	225	\$ 244,000	0.01315 %
City of Klawock	227	567,000	0.03057
Petersburg City School District	228	683,000	0.03682
Aleutians East Borough	230	475,000	0.02561
City of Huslia	235	103,000	0.00555
City of Kaltag	237	22,000	0.00119
Haines Borough School District	240	586,000	0.03159
City of Elim	242	—	0.00032
City of Atka	243	20,000	0.00108
Aleutians East Borough School District	244	693,000	0.03736
Delta/Greely School District	246	959,000	0.05170
Lake And Peninsula Borough	247	286,000	0.01542
City And Borough of Yakutat	248	589,000	0.03176
City of Unalakleet	249	—	0.00616
Klawock City School District	251	373,000	0.02011
City of Mekoryik	254	—	—
Alaska Gateway School District	255	1,570,000	0.08464
Pelican City School District	257	27,000	0.00146
Denali Borough	258	396,000	0.02135
City of Allakaket	259	—	—
City of Kachemak	260	27,000	0.00146
Cook Inlet Housing Authority	262	7,749,000	0.41778
Interior Regional Housing Authority	263	681,000	0.03672
Yakutat School District	264	142,000	0.00766
Kake City School District	265	408,000	0.02200
Aleutian Housing Authority	267	414,000	0.02232
Bering Straits Regional Housing Authority	270	906,000	0.04885
City of Egegik	271	179,000	0.00965
Ilisagvik College	275	3,373,000	0.18185
North Pacific Rim Housing Authority	276	987,000	0.05321
Saxman Seaport	278	—	0.00117
Tlingit-Haida Regional Housing Authority	279	1,976,000	0.10653
City of Toksook Bay	280	8,000	0.00043
Baranof Island Housing Authority	281	448,000	0.02415
City of Delta Junction	282	137,000	0.00739
City of Anderson	283	—	0.00031
Inter-Island Ferry Authority	284	776,000	0.04184
City of Seldovia	286	66,000	0.00356
Northwest Inupiat Housing Authority	288	797,000	0.04297
City of Upper Kalskag	290	7,000	0.00038
City of Shaktoolik	291	20,000	0.00108
Tagiugmiullu Nunamiullu Housing Authority	293	1,132,000	0.06103
Municipality of Skagway	296	2,556,000	0.13780
City of Nulato	297	—	0.00426
City of Aniak	298	154,000	0.00830
Alaska Gasline Development Corporation	299	435,000	0.02345
Total present value of projected future employer contributions		<u>1,619,170,000</u>	<u>87.30762</u>

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Schedule of Employer and Nonemployer Allocations

As of and for the year ended June 30, 2023

<u>Employer/nonemployer</u>	<u>Employer/ nonemployer number</u>	<u>Present value of projected future contributions</u>	<u>Allocation percentage</u>
Nonemployer:			
State of Alaska	999	\$ <u>235,421,000</u>	<u>12.69238 %</u>
Total of all participating entities		\$ <u><u>1,854,591,000</u></u>	<u><u>100.00000 %</u></u>

See accompanying notes to schedule of employer and nonemployer allocations and schedule of OPEB amounts by employer and nonemployer.

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**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Schedule of OPEB Amounts by Employer and Nonemployer

As of and for the year ended June 30, 2023

Employer / nonemployer	Employer/ nonemployer number	Net OPEB Asset	Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings	Deferred outflows of resources	
					Change in proportion and differences between employer contributions and proportionate share of contributions	Total deferred outflows of resources
Employer:						
State of Alaska	101	\$ 1,140,762,757	2,368,517	51,921,982	610,800	54,901,299
Southwest Region School District	102	2,164,694	4,494	98,526	66,366	169,386
Annette Island School District	103	1,737,958	3,608	79,103	—	82,711
Bering Strait School District	104	6,195,119	12,863	281,972	69,695	364,530
Chatham School District	105	682,282	1,417	31,054	—	32,471
Alaska Municipal League	106	—	—	—	—	—
City of Valdez	107	8,103,027	16,824	368,810	73,001	458,635
Juneau Borough School District	108	10,829,673	22,485	492,914	38,402	553,801
MatanuskaSusitna Borough	109	20,947,292	43,492	953,419	51,963	1,048,874
MatanuskaSusitna Borough School District	110	25,736,910	53,437	1,171,419	70,438	1,295,294
Anchorage School District	111	73,236,128	152,057	3,333,353	394,262	3,879,672
Copper River School District	112	1,060,638	2,202	48,275	2,367	52,844
University of Alaska	113	94,606,434	196,428	4,306,025	—	4,502,453
City of Kenai	115	6,164,106	12,798	280,560	42,930	336,288
Fairbanks North Star Borough	116	19,494,652	40,476	887,302	238,981	1,166,759
Fairbanks North Star Borough School District	117	26,241,798	54,485	1,194,399	203,887	1,452,771
Denali Borough School District	118	834,865	1,733	37,999	47,610	87,342
City And Borough of Sitka	120	8,114,191	16,847	369,319	19,472	405,638
Chugach School District	121	497,445	1,033	22,641	7,728	31,402
Ketchikan Gateway Borough	122	5,213,873	10,825	237,310	—	248,135
City of Soldotna	123	3,622,296	7,521	164,869	3,701	176,091
Iditarod Area School District	124	659,953	1,370	30,038	21,957	53,365
Kuspuk School District	125	1,417,906	2,944	64,536	53,329	120,809
City And Borough of Juneau	126	30,899,922	64,156	1,406,414	—	1,470,570
City of Kodiak	128	5,973,067	12,402	271,865	115,255	399,522
City of Fairbanks	129	7,350,036	15,261	334,538	—	349,799
City of Wasilla	131	6,840,185	14,202	311,332	74,342	399,876
Sitka Borough School District	133	1,979,858	4,111	90,114	14,532	108,757
City of Palmer	134	3,423,814	7,109	155,835	18,673	181,617
City And Borough of Wrangell	135	2,753,937	5,718	125,346	10,742	141,806
City of Bethel	136	5,403,672	11,219	245,949	78,331	335,499
Valdez City School District	137	1,879,376	3,902	85,540	—	89,442
Hoonah City School District	138	344,862	716	15,696	6,663	23,075
City of Nome	139	3,252,623	6,753	148,044	—	154,797
City of Kotzebue	140	3,893,968	8,085	177,235	—	185,320
Galena City School District	141	3,676,879	7,634	167,354	—	174,988
City of Petersburg	143	3,953,513	8,209	179,945	26,636	214,790
Bristol Bay Borough	144	2,761,381	5,733	125,685	—	131,418
North Slope Borough	145	56,124,501	116,529	2,554,515	686,209	3,357,253
Wrangell Public School District	146	625,218	1,298	28,457	—	29,755
City of Cordova	148	2,654,696	5,512	120,829	—	126,341
Nome City School District	149	880,764	1,829	40,088	38,046	79,963
City of King Cove	151	960,157	1,994	43,702	—	45,696
Alaska Housing Finance Corporation	152	15,124,327	31,402	688,386	105,976	825,764
Lower Yukon School District	153	7,465,403	15,500	339,789	3,798	359,087
Northwest Arctic Borough School District	154	5,961,902	12,378	271,357	—	283,735
Southeast Island School District	155	756,713	1,571	34,442	—	36,013
Pribilof School District	156	198,482	412	9,034	5,237	14,683
Lower Kuskokwim School District	157	15,369,948	31,912	699,565	—	731,477
Kodiak Island Borough School District	158	5,727,446	11,892	260,685	—	272,577
Yukon Flats School District	159	815,017	1,692	37,096	—	38,788
Yukon / Koyukuk School District	160	2,477,303	5,144	112,755	—	117,899
North Slope Borough School District	161	8,718,321	18,102	396,816	159,395	574,313
Alutian Region School District	162	—	—	—	—	—
Cordova Community Medical Center	163	3,819,538	7,930	173,847	—	181,777
Lake And Peninsula Borough School District	164	1,760,287	3,655	80,120	—	83,775
Sitka Community Hospital	165	—	—	—	—	—
Tanana School District	166	27,291	57	1,242	8,049	9,348
Southeast Regional Resource Center	167	1,862,009	3,866	84,750	—	88,616
Hydaburg City School District	168	434,179	901	19,762	16,922	37,585

Deferred inflows of resources			OPEB expense (benefit)		
Change of assumptions	Change in proportion and differences between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense (benefit)	Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	
				Proportionate share of contributions	Total OPEB expense (benefit)
20,992,614	—	20,992,614	(194,402,987)	3,475,078	(190,927,909)
39,835	—	39,835	(368,896)	378,262	9,366
31,982	17,727	49,709	(296,174)	(97,458)	(393,632)
114,004	—	114,004	(1,055,741)	484,224	(571,517)
12,556	25,194	37,750	(116,271)	(123,050)	(239,321)
—	—	—	—	12,857	12,857
149,114	—	149,114	(1,380,877)	438,524	(942,353)
199,290	—	199,290	(1,845,538)	495,688	(1,349,850)
385,478	—	385,478	(3,569,731)	509,187	(3,060,544)
473,617	—	473,617	(4,385,953)	782,537	(3,603,416)
1,347,710	—	1,347,710	(12,480,529)	3,587,206	(8,893,323)
19,518	—	19,518	(180,749)	10,425	(170,324)
1,740,972	338,980	2,079,952	(16,122,348)	125,545	(15,996,803)
113,433	—	113,433	(1,050,456)	317,855	(732,601)
358,746	—	358,746	(3,322,179)	1,418,489	(1,903,690)
482,908	—	482,908	(4,471,994)	1,677,569	(2,794,425)
15,363	—	15,363	(142,273)	223,779	81,506
149,319	—	149,319	(1,382,779)	213,343	(1,169,436)
9,154	—	9,154	(84,772)	35,844	(48,928)
95,947	90,921	186,868	(888,522)	(365,742)	(1,254,264)
66,658	—	66,658	(617,293)	65,340	(551,953)
12,145	—	12,145	(112,466)	122,138	9,672
26,093	—	26,093	(241,632)	278,022	36,390
568,628	8,948	577,576	(5,265,808)	602,009	(4,663,799)
109,918	—	109,918	(1,017,900)	647,660	(370,240)
135,257	53,817	189,074	(1,252,556)	(188,369)	(1,440,925)
125,875	—	125,875	(1,165,670)	414,112	(751,558)
36,434	—	36,434	(337,397)	113,020	(224,377)
63,006	—	63,006	(583,469)	151,989	(431,480)
50,679	—	50,679	(469,312)	113,670	(355,642)
99,440	—	99,440	(920,866)	429,380	(491,486)
34,585	10,497	45,082	(320,274)	(40,933)	(361,207)
6,346	—	6,346	(58,770)	50,621	(8,149)
59,856	47,024	106,880	(554,296)	(176,020)	(730,316)
71,658	22,100	93,758	(663,590)	(34,855)	(698,445)
67,663	28,519	96,182	(626,595)	(147,042)	(773,637)
72,754	—	72,754	(673,738)	209,343	(464,395)
50,816	26,889	77,705	(470,580)	(75,186)	(545,766)
1,032,818	—	1,032,818	(9,564,452)	4,965,519	(4,598,933)
11,505	31,306	42,811	(106,547)	(108,269)	(214,816)
48,852	11,294	60,146	(452,400)	(2,940)	(455,340)
16,208	—	16,208	(150,095)	225,250	75,155
17,669	1,469	19,138	(163,625)	720	(162,905)
278,322	—	278,322	(2,577,411)	843,366	(1,734,045)
137,380	—	137,380	(1,272,216)	68,113	(1,204,103)
109,712	36,379	146,091	(1,015,997)	(15,113)	(1,031,110)
13,925	29,808	43,733	(128,955)	(112,156)	(241,111)
3,653	—	3,653	(33,824)	37,971	4,147
282,842	6,166	289,008	(2,619,268)	330,139	(2,289,129)
105,398	7,846	113,244	(976,042)	88,183	(887,859)
14,998	1,925	16,923	(138,891)	7,940	(130,951)
45,588	37,074	82,662	(422,169)	(133,936)	(556,105)
160,437	—	160,437	(1,485,732)	973,354	(512,378)
—	—	—	—	—	—
70,288	21,529	91,817	(650,906)	(44,007)	(694,913)
32,393	36,642	69,035	(299,979)	(142,411)	(442,390)
—	—	—	—	—	—
502	—	502	(4,651)	45,106	40,455
34,265	3,165	37,430	(317,314)	(36,742)	(354,056)
7,990	—	7,990	(73,991)	72,451	(1,540)



STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST

Schedule of OPEB Amounts by Employer and Nonemployer

As of and for the year ended June 30, 2023

Employer / nonemployer	Employer/ nonemployer number	Net OPEB Asset	Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings	Change in proportion and differences between employer contributions and proportionate share of contributions	Total deferred outflows of resources
City of Tanana	169	\$ 6,702	14	305	—	319
North Pacific Fishery Management Council	170	1,182,208	2,455	53,808	22,009	78,272
City of Barrow	171	962,638	1,999	43,815	28,262	74,076
City of Saint Paul	172	1,179,727	2,449	53,695	78,219	134,363
Municipality of Anchorage	173	161,327,391	334,958	7,342,839	1,627,366	9,305,163
Kodiak Island Borough	174	2,050,567	4,258	93,332	—	97,590
Nome Joint Utility System	175	573,117	1,190	26,085	11,902	39,177
City of Sand Point	176	703,371	1,460	32,014	30,831	64,305
Ketchikan Gateway Borough School District	177	5,247,367	10,895	238,835	135,257	384,987
City of Dillingham	178	2,060,491	4,278	93,784	1,813	99,875
City of Unalaska	179	8,765,460	18,199	398,961	158,066	575,226
Kenai Peninsula Borough	180	16,338,788	33,924	743,662	63,428	841,014
City of Ketchikan	181	7,898,342	16,399	359,494	69,176	445,069
City of Seward	182	4,211,539	8,744	191,689	—	200,433
City of Fort Yukon	183	491,243	1,020	22,359	—	23,379
Bristol Bay Borough School District	184	424,255	881	19,310	164	20,355
Cordova City School District	185	745,548	1,548	33,934	9,202	44,684
City of Craig	186	1,274,006	2,645	57,987	30,159	90,791
Petersburg Medical Center	187	6,876,160	14,277	312,969	75,359	402,605
Haines Borough	189	1,879,376	3,902	85,540	—	89,442
Kenai Peninsula Borough School District	190	14,619,438	30,354	665,406	—	695,760
City of North Pole	191	2,473,582	5,136	112,585	—	117,721
City of Galena	192	744,307	1,545	33,877	1,992	37,414
City of Nenana	193	115,368	240	5,251	8,655	14,146
Yupit School District	195	1,555,602	3,230	70,803	15,892	89,925
Nenana City School District	196	1,528,311	3,173	69,561	—	72,734
City of Saxman	198	75,671	157	3,444	4,187	7,788
City of Hoonah	199	760,434	1,579	34,611	—	36,190
City of Pelican	200	132,735	276	6,041	—	6,317
City of Whittier	202	1,293,854	2,686	58,890	—	61,576
Anchorage Community Development Authority	203	970,081	2,014	44,153	19,448	65,615
Craig City School District	204	720,738	1,496	32,804	13,383	47,683
Dillingham City School District	205	1,053,195	2,187	47,936	12,463	62,586
City of Thorne Bay	206	424,255	881	19,310	—	20,191
City of Akutan	208	669,877	1,391	30,490	6,502	38,383
Unalaska City School District	209	873,321	1,813	39,749	12,244	53,806
Kashunamiut School District	211	1,740,439	3,614	79,216	—	82,830
City of Homer	215	5,578,584	11,583	253,910	—	265,493
Special Education Service Agency	218	76,912	160	3,501	16,165	19,826
Bartlett Regional Hospital	219	31,783,167	65,990	1,446,615	113,137	1,625,742
Northwest Arctic Borough	220	1,678,413	3,485	76,393	57,332	137,210
Saint Mary's School District	221	963,878	2,001	43,871	—	45,872
Bristol Bay Regional Housing Authority	223	1,039,549	2,158	47,315	12,460	61,933
Copper River Basin Regional Housing Authority	224	642,585	1,334	29,247	—	30,581
Skagway City School District	225	302,685	628	13,777	—	14,405
City of Klawock	227	703,371	1,460	32,014	—	33,474
Petersburg City School District	228	847,270	1,759	38,564	7,048	47,371
Aleutians East Borough	230	589,243	1,223	26,819	27,465	55,507
City of Huslia	235	127,773	265	5,816	673	6,754
City of Kaltag	237	27,291	57	1,242	—	1,299
Haines Borough School District	240	726,940	1,509	33,087	4,981	39,577
City of Elim	242	7,307	15	333	150	498
City of Atka	243	24,810	52	1,129	629	1,810
Aleutians East Borough School District	244	859,675	1,785	39,128	—	40,913
Delta/Greely School District	246	1,189,651	2,470	54,147	—	56,617
Lake And Peninsula Borough	247	354,787	737	16,148	—	16,885
City And Borough of Yakutat	248	730,662	1,517	33,256	2,100	36,873
City of Unalakleet	249	141,825	294	6,455	—	6,749
Klawock City School District	251	462,711	961	21,060	13,069	35,090
City of Mekoryuk	254	—	—	—	240	240

Deferred inflows of resources			OPEB expense (benefit)		
Change of assumptions	Change in proportion and differences between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense (benefit)	Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	
				and proportionate share of contributions	Total OPEB expense (benefit)
123	—	123	(1,142)	(47)	(1,189)
21,755	—	21,755	(201,466)	133,685	(67,781)
17,715	—	17,715	(164,048)	169,660	5,612
21,710	—	21,710	(201,043)	363,878	162,835
2,968,789	—	2,968,789	(27,492,594)	11,782,501	(15,710,093)
37,735	967	38,702	(349,447)	74,140	(275,307)
10,547	—	10,547	(97,668)	98,129	461
12,944	—	12,944	(119,865)	170,787	50,922
96,563	—	96,563	(894,230)	728,873	(165,357)
37,918	—	37,918	(351,138)	88,375	(262,763)
161,304	—	161,304	(1,493,765)	931,432	(562,333)
300,671	—	300,671	(2,784,373)	461,708	(2,322,665)
145,347	—	145,347	(1,345,995)	535,083	(810,912)
77,502	13,879	91,381	(717,709)	(63,710)	(781,419)
9,040	6,100	15,140	(83,715)	(12,782)	(96,497)
7,807	—	7,807	(72,299)	(12,620)	(84,919)
13,720	—	13,720	(127,052)	69,602	(57,450)
23,445	—	23,445	(217,110)	148,659	(68,451)
126,537	—	126,537	(1,171,800)	379,623	(792,177)
34,585	2,671	37,256	(320,274)	53,724	(266,550)
269,031	29,522	298,553	(2,491,370)	152,709	(2,338,661)
45,519	4,973	50,492	(421,535)	11,431	(410,104)
13,697	—	13,697	(126,841)	29,576	(97,265)
2,123	—	2,123	(19,660)	35,595	15,935
28,627	—	28,627	(265,098)	108,548	(156,550)
28,124	8,335	36,459	(260,447)	(2,734)	(263,181)
1,393	—	1,393	(12,896)	21,053	8,157
13,994	4,489	18,483	(129,589)	(7,757)	(137,346)
2,443	4,408	6,851	(22,620)	(18,544)	(41,164)
23,810	8,899	32,709	(220,492)	(46,826)	(267,318)
17,852	—	17,852	(165,316)	109,248	(56,068)
13,263	—	13,263	(122,824)	70,835	(51,989)
19,381	—	19,381	(179,480)	71,303	(108,177)
7,807	14,932	22,739	(72,299)	(75,085)	(147,384)
12,327	—	12,327	(114,157)	50,567	(63,590)
16,071	—	16,071	(148,827)	52,416	(96,411)
32,028	11,931	43,959	(296,597)	(55,759)	(352,356)
102,659	7,585	110,244	(950,674)	76,575	(874,099)
1,415	—	1,415	(13,107)	79,973	66,866
584,882	—	584,882	(5,416,326)	903,977	(4,512,349)
30,887	—	30,887	(286,027)	313,368	27,341
17,738	9,307	27,045	(164,259)	(25,529)	(189,788)
19,130	—	19,130	(177,155)	78,816	(98,339)
11,825	16,660	28,485	(109,506)	(73,996)	(183,502)
5,570	4,744	10,314	(51,582)	(25,135)	(76,717)
12,944	10,757	23,701	(119,865)	(46,884)	(166,749)
15,592	—	15,592	(144,387)	40,787	(103,600)
10,843	—	10,843	(100,416)	153,768	53,352
2,351	—	2,351	(21,774)	8,268	(13,506)
502	216	718	(4,651)	251	(4,400)
13,377	—	13,377	(123,881)	38,919	(84,962)
134	—	134	(1,245)	701	(544)
457	—	457	(4,228)	3,814	(414)
15,820	5,628	21,448	(146,501)	(12,287)	(158,788)
21,892	7,739	29,631	(202,734)	14,988	(187,746)
6,529	460	6,989	(60,461)	(3,506)	(63,967)
13,446	—	13,446	(124,516)	22,093	(102,423)
2,610	10	2,620	(24,169)	(765)	(24,934)
8,515	—	8,515	(78,853)	82,228	3,375
—	—	—	—	1,591	1,591

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Schedule of OPEB Amounts by Employer and Nonemployer

As of and for the year ended June 30, 2023

Employer/nonemployer	Employer/ nonemployer number	Net OPEB Asset	Difference Between Expected and Actual Experience	Deferred outflows of resources		
				Net Difference Between Projected and Actual Investment Earnings	Change in proportion and differences between employer contributions and proportionate share of contributions	Total deferred outflows of resources
Alaska Gateway School District	255	\$ 1,947,604	4,044	88,645	31,403	124,092
Pelican City School District	257	33,494	70	1,524	288	1,882
Denali Borough	258	491,243	1,020	22,359	1,647	25,026
City of Allakaket	259	—	—	—	—	—
City of Kachemak	260	33,494	70	1,524	—	1,594
Cook Inlet Housing Authority	262	9,612,730	19,959	437,525	51,475	508,959
Interior Regional Housing Authority	263	844,789	1,754	38,451	7,906	48,111
Yakutat School District	264	176,153	366	8,018	10,853	19,237
Kake City School District	265	506,129	1,051	23,037	1,026	25,114
Aleutian Housing Authority	267	513,572	1,066	23,375	26,223	50,664
Bering Straits Regional Housing Authority	270	1,123,904	2,334	51,155	—	53,489
City of Egegik	271	222,052	461	10,107	—	10,568
Illisagvik College	275	4,184,248	8,688	190,447	39,006	238,141
North Pacific Rim Housing Authority	276	1,224,386	2,542	55,728	4,566	62,836
Saxman Seaport	278	26,968	56	1,227	1,379	2,662
TlingitHaida Regional Housing Authority	279	2,451,252	5,089	111,569	4,559	121,217
City of Toksook Bay	280	9,924	21	452	1,629	2,102
Baranof Island Housing Authority	281	555,750	1,154	25,295	3,317	29,766
City of Delta Junction	282	169,950	353	7,735	8,551	16,639
City of Anderson	283	7,136	15	325	68	408
InterIsland Ferry Authority	284	962,638	1,999	43,815	—	45,814
City of Seldovia	286	81,874	170	3,726	1,700	5,596
Northwest Inupiat Housing Authority	288	988,688	2,053	45,000	—	47,053
City of Upper Kalskag	290	8,684	18	395	229	642
City of Shaktoolik	291	24,810	52	1,129	5,507	6,688
Tagiugmiullu Nunamiullu Housing Authority	293	1,404,260	2,916	63,915	—	66,831
Municipality of Skagway	296	3,170,750	6,583	144,317	21,197	172,097
City of Nulato	297	98,011	203	4,461	—	4,664
City of Aniak	298	191,039	397	8,695	7,335	16,427
Alaska Gasline Development Corporation	299	539,623	1,120	24,561	25,753	51,434
<b>Total for employers</b>		<b>2,008,888,340</b>	<b>4,170,976</b>	<b>91,434,837</b>	<b>6,332,740</b>	<b>101,938,553</b>
Nonemployer:						
State of Alaska	999	292,042,660	606,357	13,292,363	—	13,898,720
<b>Total of all participating entities</b>		<b>\$ 2,300,931,000</b>	<b>4,777,333</b>	<b>104,727,200</b>	<b>6,332,740</b>	<b>115,837,273</b>

See accompanying notes to schedule of employer and nonemployer allocations and schedule of OPEB amounts by employer and nonemployer

Deferred inflows of resources			OPEB expense (benefit)		
Change of assumptions	Change in proportion and differences between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense (benefit)	Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	
				Proportionate share of contributions	Total OPEB expense (benefit)
35,840	—	35,840	(331,901)	149,550	(182,351)
616	—	616	(5,708)	3,058	(2,650)
9,040	—	9,040	(83,715)	8,418	(75,297)
—	—	—	—	—	—
616	1,754	2,370	(5,708)	(8,691)	(14,399)
176,896	—	176,896	(1,638,153)	312,491	(1,325,662)
15,546	—	15,546	(143,965)	65,941	(78,024)
3,242	—	3,242	(30,019)	56,130	26,111
9,314	—	9,314	(86,252)	14,529	(71,723)
9,451	—	9,451	(87,520)	142,640	55,120
20,682	15,535	36,217	(191,530)	(22,171)	(213,701)
4,086	16,518	20,604	(37,841)	(58,497)	(96,338)
77,000	—	77,000	(713,058)	289,887	(423,171)
22,531	—	22,531	(208,654)	28,716	(179,938)
496	—	496	(4,596)	14,974	10,378
45,109	—	45,109	(417,730)	49,452	(368,278)
183	—	183	(1,691)	8,781	7,090
10,227	—	10,227	(94,708)	28,366	(66,342)
3,127	—	3,127	(28,962)	35,817	6,855
131	—	131	(1,216)	294	(922)
17,715	11,547	29,262	(164,048)	(36,521)	(200,569)
1,507	—	1,507	(13,953)	7,655	(6,298)
18,194	90,016	108,210	(168,487)	(388,339)	(556,826)
160	—	160	(1,480)	1,797	317
457	—	457	(4,228)	21,988	17,760
25,842	61,603	87,445	(239,307)	(319,261)	(558,568)
58,349	—	58,349	(540,343)	178,049	(362,294)
1,804	7	1,811	(16,703)	(680)	(17,383)
3,516	—	3,516	(32,556)	28,547	(4,009)
9,930	—	9,930	(91,960)	163,024	71,064
36,968,088	1,266,411	38,234,499	(342,344,536)	42,212,834	(300,131,702)
5,374,245	5,066,329	10,440,574	(49,768,425)	(42,212,834)	(91,981,259)
42,342,333	6,332,740	48,675,073	(392,112,961)	—	(392,112,961)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2023

**(1) Plan Description**

The State of Alaska Public Employees' Retirement System (the System) Alaska Retiree Healthcare Trust (the Plan) is a cost-sharing, multiple-employer defined benefit other postemployment benefit (OPEB) plan that provides health benefits to State and local government employees.

The Plan is established under Alaska Statute 39.35, which defines the benefit and contribution provisions, and may be amended only by the State of Alaska (State) legislature. The Plan, a healthcare trust fund of the State, provides major medical coverage to retirees of the System's Defined Benefit Pension Plan (DB Plan). The Plan is self-funded and self-insured. The 24th Alaska State Legislature enacted into law Senate Bill 141, which closed the Plan to new members effective July 1, 2006.

There are three tiers within the Plan:

- Tier 1 employee: Entered System between January 1, 1961 and June 30, 1986 – 5 years of credited service.
- Tier 2 employee: Entered System between July 1, 1986 and June 30, 1996 – 5 years of credited service.
- Tier 3 employee: Entered System between July 1, 1996 and June 30, 2006 – 10 years of credited service.

Major medical benefits are provided to retirees and their surviving spouses at no premium cost for all members hired before July 1, 1986 (Tier 1), and disabled retirees. Members hired after June 30, 1986 (Tier 2), and their surviving spouses with five years of credited service (or ten years of credited service for those first hired after June 30, 1996 [Tier 3]) must pay the full monthly premium if they are under age 60 and will receive benefits at no premium cost if they are over age 60. Tier 3 members with between five and ten years of credited service must pay the full monthly premium regardless of their age. Tier 2 and Tier 3 members with less than five years of credited service are not eligible for postemployment healthcare benefits. Tier 2 members who are receiving a conditional benefit and are age eligible are eligible for postemployment healthcare benefits. In addition, peace officers and their surviving spouses with 25 years of peace officer membership service and all other members and their surviving spouses with 30 years of membership service receive benefits at no premium cost, regardless of their age or date of hire. Peace officers/firefighters who are disabled between 20 and 25 years must pay the full monthly premium.

**(2) Basis of Presentation**

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of the Plan, its participating employers, or the State as a nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the Plan, its participating employers, or the State. The amounts presented in the Schedules are prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2023

**(3) Allocation Methodology**

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB asset, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense (benefit). The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of OPEB amounts by employer and nonemployer are based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for the fiscal years 2024 to 2039. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

**(4) Contributions**

Employer contributions are actuarially determined and adopted by the Alaska Retirement Management Board (Board). Employer contributions were 0.00% of annual payroll for the year ended June 30, 2023.

Alaska Statute 39.35.280 requires the State, as a nonemployer contributing entity, to contribute each July 1, or as soon after July 1 for the ensuing fiscal year, an amount that when combined with the total employer contributions is sufficient to pay the Plan's past service liability at the actuarially determined contribution rate adopted by the Board for that fiscal year.

**(5) Collective Net OPEB Asset**

**(a) Components of the Collective Net OPEB Asset**

The components of the collective net OPEB asset of the Plan as of June 30, 2023 are as follows:

Total OPEB liability	\$ 6,775,291,000
Plan fiduciary net position	<u>(9,076,222,000)</u>
Net OPEB asset	<u>\$ (2,300,931,000)</u>

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2023

The collective total OPEB liability for the June 30, 2023 measurement date was determined by actuarial valuations as of June 30, 2022, which was rolled forward to the measurement date of June 30, 2023. The actuarial valuation used the following actuarial assumptions:

Inflation rate	2.50% per year
Salary increases	For Peace Officer/Firefighter, increases range from 8.50% to 3.85% based on service. For Others, increases range from 6.75% to 2.85% based on service.
Investment rate of return	7.25%, net of investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Healthcare cost trend rates	Pre-65 medical: 6.7% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drugs/Employer Group Waiver Program: 7.2% grading down to 4.5% Initial trend rates are for FY 2024 Ultimate trend rates reached in FY 2050
Mortality – Peace Officer / Firefighter	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time.  Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, headcount-weighted, and projected with MP-2021 generational improvement.  Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement.  Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2023

Mortality – Others

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time.

Post-commencement mortality rates for healthy retirees were based 101% of male and 110% of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement.

Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement.

Post-commencement mortality rates for beneficiaries were based on 101% of male and 108% of female rates of the Pub-2010 Contingen Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.



**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2023

**(b) Long-term Rate of Return**

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation are summarized in the following table (note that the rates shown below exclude an inflation component of 2.50%):

<u>Asset class</u>	<u>Target asset allocation</u>	<u>Long-term expected real rate of return</u>
Broad domestic equity	27.00%	6.17%
Global equity (non-U.S.)	22.00	6.55
Aggregate bonds	23.00	1.63
Real assets	14.00	4.87
Private equity	14.00	11.57
Cash equivalents	—	0.49

**(c) Discount Rate**

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer and nonemployer contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**(d) Sensitivity of the Collective Net OPEB Asset to Changes in the Discount Rate**

The following presents the collective net OPEB asset as of June 30, 2023, calculated using the discount rate of 7.25%, as well as what the Plan's collective net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	<u>1% decrease (6.25%)</u>	<u>Current discount rate (7.25%)</u>	<u>1% increase (8.25%)</u>
\$	1,529,414,000	2,300,931,000	2,949,048,000

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
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Notes to Schedule of Employer and Nonemployer Allocations and  
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June 30, 2023

**(e) Sensitivity of the Collective Net OPEB Asset to Changes in the Healthcare Cost Trend Rates**

The following presents the collective net OPEB asset as of June 30, 2023, calculated using the healthcare cost trend rates as shown above, as well as what the Plan's collective net OPEB asset would be if it were calculated using trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	<b>1% decrease</b>	<b>Current healthcare cost trend rate</b>	<b>1% increase</b>
\$	3,023,183,000	2,300,931,000	1,440,926,000

**(6) Collective Deferred Outflows of Resources and Deferred Inflows of Resources**

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ending June 30, 2023:

	Year of deferral	Amortization period	Beginning of year balance	Additions	Deductions	End of year balance
Deferred outflows of resources:						
Difference between expected and actual experience	2023	1.2 years	—	28,664,000	23,886,667	4,777,333
Difference between projected and actual earnings on OPEB plan investments	2019	5 years	20,400,363	—	20,400,363	—
	2020	5 years	98,084,800	—	49,042,400	49,042,400
	2021	5 years	(1,037,706,000)	—	(345,902,000)	(691,804,000)
	2022	5 years	1,030,848,000	—	257,712,000	773,136,000
	2023	5 years	—	(32,059,000)	(6,411,800)	(25,647,200)
			111,627,163	(32,059,000)	(25,159,037)	104,727,200
Total deferred outflows of resources			\$ 111,627,163	(32,059,000)	(25,159,037)	104,727,200
Deferred inflows of resources:						
Difference between expected and actual experience	2022	1.3 years	\$ 13,926,462	—	13,926,462	—
Change in assumptions	2022	1.3 years	\$ 90,294,462	—	90,294,462	—
	2023	1.2 years	—	254,054,000	211,711,667	42,342,333
Total deferred inflows of resources			\$ 104,220,924	254,054,000	315,932,591	42,342,333

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The previous amounts do not include employer and nonemployer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer and nonemployer over the average of the expected remaining service lives of all plan members, which is 1.2 years and 1.3 years for the 2023 and 2022 amounts, respectively.

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2024	\$ (83,124,400)
2025	(94,601,800)
2026	251,300,200
2027	<u>(6,411,800)</u>
Total	<u>\$ 67,162,200</u>

**(7) Collective OPEB Expense (Benefit)**

The components of the collective OPEB expense (benefit) (excluding employer specific amounts) for the year ending June 30, 2023 are as follows:

Service cost	\$ 58,773,000
Interest on total OPEB liability	488,658,000
Administrative expense	4,955,000
Expected investment return net of investment expenses	(626,904,000)
Other	(390,000)
Recognition (amortization) of deferred outflows/inflows of resources:	
Difference between expected and actual experience	9,960,205
Change in assumptions	(302,006,129)
Difference between projected and actual investment earnings on OPEB plan investments	<u>(25,159,037)</u>
Total OPEB expense (benefit)	<u>\$ (392,112,961)</u>

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Supplemental Schedule of Employer Allocations of Special Funding Amounts (Unaudited)

As of and for the year ended June 30, 2023

Employer	Employer number	Present value of projected future State contributions	Employer proportionate share
Southwest Region School District	102	\$ 587,000	0.24934 %
Annette Island School District	103	469,000	0.19922
Bering Strait School District	104	1,682,000	0.71446
Chatham School District	105	185,000	0.07858
Alaska Municipal League	106	—	—
City of Valdez	107	2,200,000	0.93450
Juneau Borough School District	108	2,938,000	1.24798
Matanuska-Susitna Borough	109	5,684,000	2.41440
Matanuska-Susitna Borough School District	110	6,984,000	2.96660
Anchorage School District	111	19,871,000	8.44062
Copper River School District	112	289,000	0.12276
University of Alaska	113	25,670,000	10.90387
City of Kenai	115	1,673,000	0.71064
Fairbanks North Star Borough	116	5,289,000	2.24661
Fairbanks North Star Borough School District	117	7,120,000	3.02437
Denali Borough School District	118	228,000	0.09685
City And Borough of Sitka	120	2,202,000	0.93535
Chugach School District	121	133,000	0.05649
Ketchikan Gateway Borough	122	1,414,000	0.60063
City of Soldotna	123	983,000	0.41755
Iditarod Area School District	124	177,000	0.07518
Kuspuk School District	125	384,000	0.16311
City And Borough of Juneau	126	8,382,000	3.56043
City of Kodiak	128	1,620,000	0.68813
City of Fairbanks	129	1,994,000	0.84699
City of Wasilla	131	1,856,000	0.78837
Sitka Borough School District	133	536,000	0.22768
City of Palmer	134	928,000	0.39419
City And Borough of Wrangell	135	748,000	0.31773
City of Bethel	136	1,466,000	0.62271
Valdez City School District	137	512,000	0.21748
Hoonah City School District	138	93,000	0.03950
City of Nome	139	881,000	0.37422
City of Kotzebue	140	1,054,000	0.44771
Galena City School District	141	999,000	0.42435
City of Petersburg	143	1,070,000	0.45450
Bristol Bay Borough	144	750,000	0.31858
North Slope Borough	145	15,226,000	6.46756
Wrangell Public School District	146	170,000	0.07221
City of Cordova	148	722,000	0.30668
Nome City School District	149	238,000	0.10110
City of King Cove	151	260,000	0.11044
Alaska Housing Finance Corporation	152	4,104,000	1.74326
Lower Yukon School District	153	2,025,000	0.86016
Northwest Arctic Borough School District	154	1,619,000	0.68770
Southeast Island School District	155	203,000	0.08623
Pribilof School District	156	54,000	0.02294
Lower Kuskokwim School District	157	4,172,000	1.77214
Kodiak Island Borough School District	158	1,552,000	0.65924
Yukon Flats School District	159	222,000	0.09430
Yukon / Koyukuk School District	160	672,000	0.28545

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As of and for the year ended June 30, 2023

Employer	Employer number	Present value of projected future State contributions	Employer proportionate share
North Slope Borough School District	161	\$ 2,365,000	1.00458 %
Cordova Community Medical Center	163	1,035,000	0.43964
Lake And Peninsula Borough School District	164	479,000	0.20347
Tanana School District	166	7,000	0.00297
Southeast Regional Resource Center	167	505,000	0.21451
Hydaburg City School District	168	118,000	0.05012
City of Tanana	169	—	—
North Pacific Fishery Management Council	170	322,000	0.13678
City of Barrow	171	261,000	0.11087
City of Saint Paul	172	321,000	0.13635
Municipality of Anchorage	173	43,771,000	18.59265
Kodiak Island Borough	174	557,000	0.23660
Nome Joint Utility System	175	155,000	0.06584
City of Sand Point	176	192,000	0.08156
Ketchikan Gateway Borough School District	177	1,424,000	0.60487
City of Dillingham	178	559,000	0.23745
City of Unalaska	179	2,377,000	1.00968
Kenai Peninsula Borough	180	4,431,000	1.88216
City of Ketchikan	181	2,140,000	0.90901
City of Seward	182	1,140,000	0.48424
City of Fort Yukon	183	133,000	0.05649
Bristol Bay Borough School District	184	117,000	0.04970
Cordova City School District	185	201,000	0.08538
City of Craig	186	347,000	0.14740
Petersburg Medical Center	187	1,866,000	0.79262
Haines Borough	189	512,000	0.21748
Kenai Peninsula Borough School District	190	3,965,000	1.68422
City of North Pole	191	672,000	0.28545
City of Galena	192	200,000	0.08495
City of Nenana	193	31,000	0.01317
Yupit School District	195	420,000	0.17840
Nenana City School District	196	415,000	0.17628
City of Saxman	198	19,000	0.00807
City of Hoonah	199	205,000	0.08708
City of Pelican	200	34,000	0.01444
City of Whittier	202	352,000	0.14952
Anchorage Community Development Authority	203	262,000	0.11129
Craig City School District	204	195,000	0.08283
Dillingham City School District	205	287,000	0.12191
City of Thorne Bay	206	117,000	0.04970
City of Akutan	208	183,000	0.07773
Unalaska City School District	209	238,000	0.10110
Kashunamiut School District	211	469,000	0.19922
City of Homer	215	1,516,000	0.64395
Special Education Service Agency	218	20,000	0.00850
Bartlett Regional Hospital	219	8,624,000	3.66322
Northwest Arctic Borough	220	454,000	0.19285
Saint Mary's School District	221	261,000	0.11087
Bristol Bay Regional Housing Authority	223	280,000	0.11894
Copper River Basin Regional Housing Authority	224	175,000	0.07433
Skagway City School District	225	82,000	0.03483

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Supplemental Schedule of Employer Allocations of Special Funding Amounts (Unaudited)

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Employer	Employer number	Present value of projected future State contributions	Employer proportionate share
City of Klawock	227	\$ 192,000	0.08156 %
Petersburg City School District	228	229,000	0.09727
Aleutians East Borough	230	161,000	0.06839
City of Huslia	235	33,000	0.01402
City of Kaltag	237	7,000	0.00297
Haines Borough School District	240	195,000	0.08283
City of Atka	243	7,000	0.00297
Aleutians East Borough School District	244	232,000	0.09855
Delta/Greely School District	246	323,000	0.13720
Lake And Peninsula Borough	247	95,000	0.04035
City And Borough of Yakutat	248	195,000	0.08283
City of Unalakleet	249	—	—
Klawock City School District	251	125,000	0.05310
Alaska Gateway School District	255	526,000	0.22343
Pelican City School District	257	9,000	0.00382
Denali Borough	258	133,000	0.05649
City of Kachemak	260	9,000	0.00382
Cook Inlet Housing Authority	262	2,607,000	1.10738
Interior Regional Housing Authority	263	229,000	0.09727
Yakutat School District	264	48,000	0.02039
Kake City School District	265	136,000	0.05777
Aleutian Housing Authority	267	137,000	0.05819
Bering Straits Regional Housing Authority	270	303,000	0.12871
City of Egegik	271	61,000	0.02591
Ilisagvik College	275	1,136,000	0.48254
North Pacific Rim Housing Authority	276	332,000	0.14102
Saxman Seaport	278	—	—
Tlingit-Haida Regional Housing Authority	279	665,000	0.28247
City of Toksook Bay	280	—	—
Baranof Island Housing Authority	281	151,000	0.06414
City of Delta Junction	282	46,000	0.01954
City of Anderson	283	—	—
Inter-Island Ferry Authority	284	261,000	0.11087
City of Seldovia	286	23,000	0.00977
Northwest Inupiat Housing Authority	288	270,000	0.11469
City of Upper Kalskag	290	—	—
City of Shaktoolik	291	7,000	0.00297
Tagiugmiullu Nunamiullu Housing Authority	293	381,000	0.16184
Municipality of Skagway	296	860,000	0.36530
City of Nulato	297	—	—
City of Aniak	298	51,000	0.02168
Alaska Gasline Development Corporation	299	145,000	0.06159
Total of all participating employers		<u>\$ 235,421,000</u>	<u>100.00000 %</u>

See accompanying independent auditors' report.

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Supplemental Schedule of Special Funding Amounts by Employer (Unaudited)

As of and for the year ended June 30, 2023

Employer	Employer number	State proportionate share of net OPEB (asset) attributable to employer	Proportionate Share of OPEB Plan Expense (Benefit)
Southwest Region School District	102	\$ (728,181)	(124,093)
Annette Island School District	103	(581,800)	(99,147)
Bering Strait School District	104	(2,086,542)	(355,578)
Chatham School District	105	(229,495)	(39,109)
Alaska Municipal League	106	—	—
City of Valdez	107	(2,729,127)	(465,084)
Juneau Borough School District	108	(3,644,625)	(621,099)
Matanuska-Susitna Borough	109	(7,051,072)	(1,201,608)
Matanuska-Susitna Borough School District	110	(8,663,738)	(1,476,430)
Anchorage School District	111	(24,650,221)	(4,200,765)
Copper River School District	112	(358,508)	(61,095)
University of Alaska	113	(31,843,952)	(5,426,684)
City of Kenai	115	(2,075,377)	(353,675)
Fairbanks North Star Borough	116	(6,561,070)	(1,118,104)
Fairbanks North Star Borough School District	117	(8,832,448)	(1,505,181)
Denali Borough School District	118	(282,837)	(48,200)
City And Borough of Sitka	120	(2,731,608)	(465,507)
Chugach School District	121	(164,988)	(28,116)
Ketchikan Gateway Borough	122	(1,754,084)	(298,922)
City of Soldotna	123	(1,219,424)	(207,808)
Iditarod Area School District	124	(219,571)	(37,418)
Kuspuk School District	125	(476,357)	(81,178)
City And Borough of Juneau	126	(10,397,975)	(1,771,970)
City of Kodiak	128	(2,009,630)	(342,471)
City of Fairbanks	129	(2,473,582)	(421,535)
City of Wasilla	131	(2,302,391)	(392,362)
Sitka Borough School District	133	(664,915)	(113,311)
City of Palmer	134	(1,151,195)	(196,181)
City And Borough of Wrangell	135	(927,903)	(158,129)
City of Bethel	136	(1,818,591)	(309,915)
Valdez City School District	137	(635,142)	(108,238)
Hoonah City School District	138	(115,368)	(19,660)
City of Nome	139	(1,092,891)	(186,245)
City of Kotzebue	140	(1,307,500)	(222,818)
Galena City School District	141	(1,239,272)	(211,190)
City of Petersburg	143	(1,327,348)	(226,200)
Bristol Bay Borough	144	(930,384)	(158,551)
North Slope Borough	145	(18,888,041)	(3,218,804)
Wrangell Public School District	146	(210,887)	(35,938)
City of Cordova	148	(895,650)	(152,632)
Nome City School District	149	(295,242)	(50,314)
City of King Cove	151	(322,533)	(54,964)

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As of and for the year ended June 30, 2023

Employer	Employer number	State proportionate share of net OPEB (asset) attributable to employer	Proportionate Share of OPEB Plan Expense (Benefit)
Alaska Housing Finance Corporation	152	\$ (5,091,063)	(867,593)
Lower Yukon School District	153	(2,512,038)	(428,089)
Northwest Arctic Borough School District	154	(2,008,390)	(342,260)
Southeast Island School District	155	(251,824)	(42,915)
Pribilof School District	156	(66,988)	(11,416)
Lower Kuskokwim School District	157	(5,175,418)	(881,968)
Kodiak Island Borough School District	158	(1,925,275)	(328,096)
Yukon Flats School District	159	(275,394)	(46,931)
Yukon / Koyukuk School District	160	(833,624)	(142,062)
North Slope Borough School District	161	(2,933,812)	(499,965)
Cordova Community Medical Center	163	(1,283,930)	(218,801)
Lake And Peninsula Borough School District	164	(594,205)	(101,261)
Tanana School District	166	(8,684)	(1,480)
Southeast Regional Resource Center	167	(626,459)	(106,758)
Hydaburg City School District	168	(146,380)	(24,945)
City of Tanana	169	—	—
North Pacific Fishery Management Council	170	(399,445)	(68,071)
City of Barrow	171	(323,774)	(55,176)
City of Saint Paul	172	(398,204)	(67,860)
Municipality of Anchorage	173	(54,298,466)	(9,253,269)
Kodiak Island Borough	174	(690,965)	(117,751)
Nome Joint Utility System	175	(192,279)	(32,767)
City of Sand Point	176	(238,178)	(40,589)
Ketchikan Gateway Borough School District	177	(1,766,490)	(301,036)
City of Dillingham	178	(693,446)	(118,174)
City of Unalaska	179	(2,948,698)	(502,502)
Kenai Peninsula Borough	180	(5,496,710)	(936,721)
City of Ketchikan	181	(2,654,696)	(452,400)
City of Seward	182	(1,414,184)	(240,998)
City of Fort Yukon	183	(164,988)	(28,116)
Bristol Bay Borough School District	184	(145,140)	(24,734)
Cordova City School District	185	(249,343)	(42,492)
City of Craig	186	(430,458)	(73,356)
Petersburg Medical Center	187	(2,314,796)	(394,476)
Haines Borough	189	(635,142)	(108,238)
Kenai Peninsula Borough School District	190	(4,918,631)	(838,208)
City of North Pole	191	(833,624)	(142,062)
City of Galena	192	(248,102)	(42,280)
City of Nenana	193	(38,456)	(6,553)
Yup'it School District	195	(521,015)	(88,789)
Nenana City School District	196	(514,813)	(87,732)
City of Saxman	198	(23,570)	(4,017)



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Employer	Employer number	State proportionate share of net OPEB (asset) attributable to employer	Proportionate Share of OPEB Plan Expense (Benefit)
City of Hoonah	199	\$ (254,305)	(43,337)
City of Pelican	200	(42,177)	(7,188)
City of Whittier	202	(436,660)	(74,413)
Anchorage Community Development Authority	203	(325,014)	(55,387)
Craig City School District	204	(241,900)	(41,223)
Dillingham City School District	205	(356,027)	(60,672)
City of Thorne Bay	206	(145,140)	(24,734)
City of Akutan	208	(227,014)	(38,687)
Unalaska City School District	209	(295,242)	(50,314)
Kashunamiut School District	211	(581,800)	(99,147)
City of Homer	215	(1,880,617)	(320,485)
Special Education Service Agency	218	(24,810)	(4,228)
Bartlett Regional Hospital	219	(10,698,179)	(1,823,129)
Northwest Arctic Borough	220	(563,193)	(95,976)
Saint Mary's School District	221	(323,774)	(55,176)
Bristol Bay Regional Housing Authority	223	(347,343)	(59,193)
Copper River Basin Regional Housing Authority	224	(217,090)	(36,995)
Skagway City School District	225	(101,722)	(17,335)
City of Klawock	227	(238,178)	(40,589)
Petersburg City School District	228	(284,077)	(48,411)
Aleutians East Borough	230	(199,722)	(34,036)
City of Huslia	235	(40,937)	(6,976)
City of Kaltag	237	(8,684)	(1,480)
Haines Borough School District	240	(241,900)	(41,223)
City of Atka	243	(8,684)	(1,480)
Aleutians East Borough School District	244	(287,799)	(49,045)
Delta/Greely School District	246	(400,685)	(68,283)
Lake And Peninsula Borough	247	(117,849)	(20,083)
City And Borough of Yakutat	248	(241,900)	(41,223)
City of Unalakleet	249	—	—
Klawock City School District	251	(155,064)	(26,425)
Alaska Gateway School District	255	(652,509)	(111,197)
Pelican City School District	257	(11,165)	(1,903)
Denali Borough	258	(164,988)	(28,116)
City of Kachemak	260	(11,165)	(1,903)
Cook Inlet Housing Authority	262	(3,234,016)	(551,125)
Interior Regional Housing Authority	263	(284,077)	(48,411)
Yakutat School District	264	(59,545)	(10,147)
Take City School District	265	(168,710)	(28,751)
Aleutian Housing Authority	267	(169,950)	(28,962)
Bering Straits Regional Housing Authority	270	(375,875)	(64,055)
City of Egegik	271	(75,671)	(12,896)

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<b>Employer</b>	<b>Employer number</b>	<b>State proportionate share of net OPEB (asset) attributable to employer</b>	<b>Proportionate Share of OPEB Plan Expense (Benefit)</b>
Ilisagvik College	275	\$ (1,409,222)	(240,152)
North Pacific Rim Housing Authority	276	(411,850)	(70,185)
Saxman Seaport	278	—	—
Tlingit-Haida Regional Housing Authority	279	(824,941)	(140,582)
City of Toksook Bay	280	—	—
Baranof Island Housing Authority	281	(187,317)	(31,922)
City of Delta Junction	282	(57,064)	(9,724)
City of Anderson	283	—	—
Inter-Island Ferry Authority	284	(323,774)	(55,176)
City of Seldovia	286	(28,532)	(4,862)
Northwest Inupiat Housing Authority	288	(334,938)	(57,078)
City of Upper Kalskag	290	—	—
City of Shaktoolik	291	(8,684)	(1,480)
Tagiugmiullu Nunamiullu Housing Authority	293	(472,635)	(80,544)
Municipality of Skagway	296	(1,066,841)	(181,806)
City of Nulato	297	—	—
City of Aniak	298	(63,266)	(10,781)
Alaska Gasline Development Corporation	299	(179,877)	(30,658)
Total of all participating employers		\$ <u>(292,042,660)</u>	<u>(49,768,425)</u>

See accompanying independent auditors' report

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Supplemental Schedule of Employer and Nonemployer Contributions (Unaudited)

For the year ended June 30, 2023

Employer/nonemployer	Employer number	Employer contributions		
		Actual	Retiree Drug Subsidy	Total
Employer:				
State of Alaska	101	\$ 6,111	4,991	11,102
Southwest Region School District	102	(104)	(85)	(189)
Annette Island School District	103	182	149	331
Bering Strait School District	104	473	386	859
Chatham School District	105	(2)	(1)	(3)
Alaska Municipal League	106	—	—	—
City of Valdez	107	(223)	(182)	(405)
Juneau Borough School District	108	—	—	—
Matanuska-Susitna Borough	109	164	134	298
Matanuska-Susitna Borough School District	110	9,123	7,448	16,571
Anchorage School District	111	40,741	33,261	74,002
Copper River School District	112	91	74	165
University of Alaska	113	1,965	1,604	3,569
City of Kenai	115	1,564	1,277	2,841
Fairbanks North Star Borough	116	(157)	(128)	(285)
Fairbanks North Star Borough School District	117	1,047	855	1,902
Denali Borough School District	118	133	108	241
City And Borough of Sitka	120	—	—	—
Chugach School District	121	2,519	2,057	4,576
Ketchikan Gateway Borough	122	(6)	(5)	(11)
City of Soldotna	123	—	—	—
Iditarod Area School District	124	9,446	7,711	17,157
Kuspuk School District	125	2,132	1,740	3,872
City And Borough of Juneau	126	457	373	830
City of Kodiak	128	—	—	—
City of Fairbanks	129	—	—	—
City of Wasilla	131	—	—	—
Sitka Borough School District	133	38	31	69
City of Palmer	134	(59)	(48)	(107)
City And Borough of Wrangell	135	—	—	—
City of Bethel	136	(4)	(3)	(7)
Valdez City School District	137	612	500	1,112
Hoonah City School District	138	—	—	—
City of Nome	139	80	65	145
City of Kotzebue	140	—	—	—
Galena City School District	141	824	673	1,497
City of Petersburg	143	757	618	1,375
Bristol Bay Borough	144	—	—	—
North Slope Borough	145	16,937	13,827	30,764
Wrangell Public School District	146	477	390	867
City of Cordova	148	(32)	(26)	(58)
Nome City School District	149	32,904	26,862	59,766
City of King Cove	151	3,077	2,512	5,589
Alaska Housing Finance Corporation	152	24,115	19,687	43,802
Lower Yukon School District	153	518	423	941
Northwest Arctic Borough School District	154	255	208	463
Southeast Island School District	155	—	—	—
Pribilof School District	156	9,190	7,502	16,692
Lower Kuskokwim School District	157	18,034	14,723	32,757
Kodiak Island Borough School District	158	833	680	1,513
Yukon Flats School District	159	546	446	992

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Supplemental Schedule of Employer and Nonemployer Contributions (Unaudited)

For the year ended June 30, 2023

Employer/nonemployer	Employer number	Employer contributions		
		Actual	Retiree Drug Subsidy	Total
Yukon / Koyukuk School District	160	\$ 1,592	1,300	2,892
North Slope Borough School District	161	3,158	2,578	5,736
Cordova Community Medical Center	163	9,360	7,642	17,002
Lake And Peninsula Borough School District	164	4,775	3,898	8,673
Tanana School District	166	3,477	2,838	6,315
Southeast Regional Resource Center	167	—	—	—
Hydaburg City School District	168	208	170	378
City of Tanana	169	—	—	—
North Pacific Fishery Management Council	170	—	—	—
City of Barrow	171	1,617	1,320	2,937
City of Saint Paul	172	—	—	—
Municipality of Anchorage	173	287,615	234,807	522,422
Kodiak Island Borough	174	—	—	—
Nome Joint Utility System	175	—	—	—
City of Sand Point	176	—	—	—
Ketchikan Gateway Borough School District	177	—	—	—
City of Dillingham	178	1,687	1,377	3,064
City of Unalaska	179	—	—	—
Kenai Peninsula Borough	180	97	79	176
City of Ketchikan	181	631	515	1,146
City of Seward	182	—	—	—
City of Fort Yukon	183	1,560	1,273	2,833
Bristol Bay Borough School District	184	—	—	—
Cordova City School District	185	24	19	43
City of Craig	186	(43)	(35)	(78)
Petersburg Medical Center	187	(685)	(559)	(1,244)
Haines Borough	189	(132)	(108)	(240)
Kenai Peninsula Borough School District	190	(61)	(50)	(111)
City of North Pole	191	43	35	78
City of Galena	192	—	—	—
City of Nenana	193	25	20	45
Yupit School District	195	1,749	1,428	3,177
Nenana City School District	196	237	194	431
City of Saxman	198	1,404	1,146	2,550
City of Hoonah	199	69	56	125
City of Pelican	200	(8)	(7)	(15)
City of Whittier	202	—	—	—
Anchorage Community Development Authority	203	7,051	5,756	12,807
Craig City School District	204	(112)	(92)	(204)
Dillingham City School District	205	—	—	—
City of Thorne Bay	206	(1)	(1)	(2)
City of Akutan	208	209	171	380
Unalaska City School District	209	114	93	207
Kashunamiut School District	211	—	—	—
City of Homer	215	20	16	36
Special Education Service Agency	218	—	—	—
Bartlett Regional Hospital	219	2,966	2,421	5,387
Northwest Arctic Borough	220	4	3	7
Saint Mary's School District	221	—	—	—
Bristol Bay Regional Housing Authority	223	188	153	341
Copper River Basin Regional Housing Authority	224	—	—	—

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Supplemental Schedule of Employer and Nonemployer Contributions (Unaudited)

For the year ended June 30, 2023

Employer/nonemployer	Employer number	Employer contributions		
		Actual	RDS	Total
Skagway City School District	225	\$ —	—	—
City of Klawock	227	589	481	1,070
Petersburg City School District	228	—	—	—
Aleutians East Borough	230	6,951	5,675	12,626
City of Huslia	235	577	471	1,048
City of Kaltag	237	—	—	—
Haines Borough School District	240	—	—	—
City of Elim	242	496	405	901
City of Atka	243	1,064	869	1,933
Aleutians East Borough School District	244	9	7	16
Delta/Greely School District	246	—	—	—
Lake And Peninsula Borough	247	—	—	—
City And Borough of Yakutat	248	—	—	—
City of Unalakleet	249	—	—	—
Klawock City School District	251	416	340	756
City of Mekoryik	254	792	647	1,439
Alaska Gateway School District	255	1,180	963	2,143
Pelican City School District	257	1,826	1,491	3,317
Denali Borough	258	—	—	—
City of Allakaket	259	—	—	—
City of Kachemak	260	68	56	124
Cook Inlet Housing Authority	262	9,147	7,468	16,615
Interior Regional Housing Authority	263	—	—	—
Yakutat School District	264	1,672	1,365	3,037
Kake City School District	265	—	—	—
Aleutian Housing Authority	267	9,737	7,949	17,686
Bering Straits Regional Housing Authority	270	233	190	423
City of Egegik	271	—	—	—
Ilisagvik College	275	—	—	—
North Pacific Rim Housing Authority	276	—	—	—
Saxman Seaport	278	4,562	3,725	8,287
Tlingit-Haida Regional Housing Authority	279	(82)	(67)	(149)
City of Toksook Bay	280	653	533	1,186
Baranof Island Housing Authority	281	—	—	—
City of Delta Junction	282	—	—	—
City of Anderson	283	227	185	412
Inter-Island Ferry Authority	284	325	266	591
City of Seldovia	286	—	—	—
Northwest Inupiat Housing Authority	288	—	—	—
City of Upper Kalskag	290	983	803	1,786
City of Shaktoolik	291	—	—	—
Tagiugmiullu Nunamiullu Housing Authority	293	—	—	—
Municipality of Skagway	296	—	—	—
City of Nulato	297	—	—	—
City of Aniak	298	(140)	(115)	(255)
Alaska Gasline Development Corporation	299	—	—	—
<b>Total employer contributions</b>		<b>554,881</b>	<b>453,000</b>	<b>1,007,881</b>
Nonemployer:				
State of Alaska	999	—	—	—
<b>Total of all participating entities</b>		<b>\$ 554,881</b>	<b>453,000</b>	<b>1,007,881</b>



**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

(With Independent Auditors' Report Thereon)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

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KPMG LLP  
Suite 600  
701 West Eighth Avenue  
Anchorage, AK 99501

## Independent Auditors' Report

The Division of Retirement and Benefits and  
Members of the Alaska Retirement Management Board  
State of Alaska Public Employees' Retirement System

### *Opinions*

We have audited the schedule of employer allocations of the State of Alaska Public Employees' Retirement System Occupational Death & Disability Plan (the Plan) as of and for the year ended June 30, 2023, and the related notes. We have also audited the total for all participating entities of the columns titled net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (benefit) (specified column totals) included in the accompanying schedule of OPEB amounts by employer of the Plan as of and for the year ended June 30, 2023, and the related notes.

In our opinion, the accompanying schedules referred to above present fairly, in all material respects, the employer allocations and net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (benefit) for the total of all participating entities for the Plan as of and for the year ended June 30, 2023, in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Schedules*

Management is responsible for the preparation and fair presentation of these schedules in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibilities for the Audit of the Schedules*

Our objectives are to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer.





In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts in the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer and the related disclosures.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Other Matter*

We have audited, in accordance with GAAS, the financial statements of the Public Employees' Retirement System as of and for the year ended June 30, 2023, and our report thereon, dated October 12, 2023, expressed an unmodified opinion on those financial statements.

*Restriction on Use*

Our report is intended solely for the information and use of the Public Employees' Retirement System management, Alaska Management Retirement Board, Public Employees' Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

*KPMG LLP*

Anchorage, Alaska  
December 21, 2023

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2023

<b>Employer</b>	<b>Employer number</b>	<b>Employer contributions</b>	<b>Allocation percentage</b>
State of Alaska	101	\$ 3,021,662	49.32656 %
Southwest Region School District	102	7,094	0.11580
Annette Island School District	103	6,731	0.10987
Bering Strait School District	104	16,743	0.27331
Chatham School District	105	2,149	0.03509
City of Valdez	107	34,166	0.55774
Juneau Borough School District	108	33,378	0.54488
Matanuska-Susitna Borough	109	80,681	1.31706
Matanuska-Susitna Borough School District	110	84,037	1.37185
Anchorage School District	111	219,317	3.58020
Copper River School District	112	3,995	0.06522
University of Alaska	113	280,512	4.57916
City of Kenai	115	30,167	0.49246
Fairbanks North Star Borough	116	60,246	0.98348
Fairbanks North Star Borough School District	117	79,955	1.30521
Denali Borough School District	118	3,568	0.05825
City and Borough of Sitka	120	29,229	0.47715
Chugach School District	121	2,007	0.03277
Ketchikan Gateway Borough	122	19,336	0.31565
City of Soldotna	123	12,358	0.20174
Iditarod Area School District	124	2,131	0.03479
Kuspuk School District	125	2,603	0.04250
City and Borough of Juneau	126	111,116	1.81388
City of Kodiak	128	30,670	0.50067
City of Fairbanks	129	48,663	0.79439
City of Wasilla	131	31,570	0.51535
Sitka Borough School District	133	6,628	0.10820
City of Palmer	134	13,843	0.22599
City and Borough of Wrangell	135	10,412	0.16997
City of Bethel	136	28,668	0.46798
Valdez City School District	137	6,404	0.10454
Hoonah City School District	138	696	0.01136
City of Nome	139	17,397	0.28399
City of Kotzebue	140	19,897	0.32480
Galena City School District	141	12,638	0.20631
City of Petersburg	143	15,109	0.24664
Bristol Bay Borough	144	12,611	0.20586
North Slope Borough	145	189,871	3.09951
Wrangell Public School District	146	1,646	0.02687
City of Cordova	148	10,909	0.17809
Nome City School District	149	2,881	0.04703
City of King Cove	151	2,481	0.04050

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2023

<b>Employer</b>	<b>Employer number</b>	<b>Employer contributions</b>	<b>Allocation percentage</b>
Alaska Housing Finance Corporation	152	\$ 41,034	0.66985 %
Lower Yukon School District	153	19,752	0.32243
Northwest Arctic Borough School District	154	19,163	0.31283
Southeast Island School District	155	2,778	0.04534
Pribilof School District	156	755	0.01232
Lower Kuskokwim School District	157	42,176	0.68849
Kodiak Island Borough School District	158	19,246	0.31417
Yukon Flats School District	159	2,253	0.03679
Yukon / Koyukuk School District	160	7,663	0.12510
North Slope Borough School District	161	29,353	0.47916
Cordova Community Medical Center	163	14,999	0.24485
Lake and Peninsula Borough School District	164	5,148	0.08404
Sitka Community Hospital	165	—	—
Tanana School District	166	274	0.00447
Southeast Regional Resource Center	167	5,425	0.08856
Hydaburg City School District	168	162	0.00265
City of Tanana	169	—	—
North Pacific Fishery Mgmt Council	170	2,856	0.04662
City of Barrow	171	1,872	0.03056
City of Saint Paul	172	4,011	0.06548
Municipality of Anchorage	173	640,710	10.45914
Kodiak Island Borough	174	6,229	0.10169
Nome Joint Utility System	175	1,041	0.01699
City of Sand Point	176	4,755	0.07762
Ketchikan Gateway Borough School District	177	17,817	0.29085
City of Dillingham	178	9,975	0.16283
City of Unalaska	179	40,546	0.66188
Kenai Peninsula Borough	180	83,742	1.36704
City of Ketchikan	181	32,571	0.53170
City of Seward	182	17,470	0.28519
City of Fort Yukon	183	1,208	0.01973
Bristol Bay Borough School District	184	1,393	0.02273
Cordova City School District	185	2,322	0.03790
City of Craig	186	5,792	0.09455
Petersburg Medical Center	187	26,201	0.42771
Haines Borough	189	8,396	0.13705
Kenai Peninsula Borough School District	190	47,310	0.77230
City of North Pole	191	14,846	0.24235
City of Galena	192	2,580	0.04211
City of Nenana	193	475	0.00775
Yupiit School District	195	4,293	0.07009
Nenana City School District	196	5,246	0.08563

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2023

<b>Employer</b>	<b>Employer number</b>	<b>Employer contributions</b>	<b>Allocation percentage</b>
City of Saxman	198	\$ 174	0.00284 %
City of Hoonah	199	10,473	0.17096
City of Pelican	200	397	0.00649
City of Whittier	202	6,991	0.11412
Anchorage Community Develop Authority	203	4,100	0.06693
Craig City School District	204	2,928	0.04779
Dillingham City School District	205	4,865	0.07942
City of Thorne Bay	206	1,412	0.02305
City of Akutan	208	2,251	0.03674
Unalaska City School District	209	2,536	0.04140
Kashunamiut School District	211	4,724	0.07712
City of Homer	215	25,743	0.42024
Special Education Service Agency	218	850	0.01387
Bartlett Regional Hospital	219	109,695	1.79069
Northwest Arctic Borough	220	7,678	0.12534
Saint Mary's School District	221	2,782	0.04541
Bristol Bay RHA	223	2,941	0.04801
Copper River Basin RHA	224	1,906	0.03111
Skagway City School District	225	1,063	0.01734
City of Klawock	227	2,491	0.04067
Petersburg City School District	228	3,280	0.05354
Aleutians East Borough	230	1,687	0.02755
City of Huslia	235	300	0.00490
City of Kaltag	237	61	0.00099
Haines Borough School District	240	1,689	0.02758
City of Atka	243	127	0.00207
Aleutians East Borough School District	244	2,730	0.04456
Delta/Greely School District	246	3,325	0.05428
Lake and Peninsula Borough	247	1,513	0.02470
City and Borough of Yakutat	248	2,260	0.03689
City of Unalakleet	249	—	—
Klawock City School District	251	1,870	0.03053
Alaska Gateway School District	255	6,836	0.11159
Pelican School District	257	51	0.00084
Denali Borough	258	1,988	0.03245
City of Kachemak	260	102	0.00167
Cook Inlet Housing Authority	262	33,856	0.55267
Interior RHA	263	2,999	0.04895
Yakutat School District	264	471	0.00769
Kake City School District	265	1,235	0.02016
Aleutian Housing Authority	267	1,463	0.02388
Bering Straits RHA	270	2,404	0.03924

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2023

<u>Employer</u>	<u>Employer number</u>	<u>Employer contributions</u>	<u>Allocation percentage</u>
City of Egegik	271	\$ 405	0.00661 %
Ilisagvik College	275	17,334	0.28296
North Pacific Rim HA	276	2,181	0.03560
Saxman Seaport	278	124	0.00202
Tlingit-Haida RHA	279	8,122	0.13259
Baranof Island HA	281	1,355	0.02212
City of Delta Junction	282	261	0.00427
City of Anderson	283	—	—
Inter-Island Ferry Authority	284	2,771	0.04523
City of Seldovia	286	343	0.00561
Northwest Inupiat Housing Authority	288	2,450	0.04000
City of Upper Kalskag	290	—	—
City of Shaktoolik	291	118	0.00192
Tagiugmiullu Nunamiullu Housing Authority	293	5,155	0.08415
Municipality of Skagway	296	17,300	0.28241
City of Nulato	297	—	—
City of Aniak	298	794	0.01296
Alaska Gasline Development Corporation	299	862	0.01407
Total contributions		\$ <u>6,125,835</u>	<u>100.00000 %</u>

See accompanying notes to schedule of employer allocations and schedule of OPEB amounts by employer.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2023

Employer	Employer number	Net OPEB asset	Deferred outflows of resources		
			Net difference between projected and actual investment earnings on OPEB plan investments	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred outflows of resources
State of Alaska	101	\$ 25,306,499	584,215	204,223	788,438
Southwest Region School District	102	59,409	1,372	2,401	3,773
Annette Island School District	103	56,370	1,301	4,049	5,350
Bering Strait School District	104	140,219	3,237	14,447	17,684
Chatham School District	105	18,001	416	570	986
City of Valdez	107	286,142	6,606	6,184	12,790
Juneau Borough School District	108	279,543	6,454	15,875	22,329
Matanuska-Susitna Borough	109	675,702	15,599	4,445	20,044
Matanuska-Susitna Borough School District	110	703,813	16,248	47,355	63,603
Anchorage School District	111	1,836,784	42,404	126,246	168,650
Copper River School District	112	33,462	773	706	1,479
University of Alaska	113	2,349,294	54,236	4,200	58,436
City of Kenai	115	252,650	5,833	13,712	19,545
Fairbanks North Star Borough	116	504,562	11,648	27,268	38,916
Fairbanks North Star Borough School District	117	669,626	15,459	53,861	69,320
Denali Borough School District	118	29,885	690	7,177	7,867
City And Borough of Sitka	120	244,795	5,651	20,425	26,076
Chugach School District	121	16,812	388	1,255	1,643
Ketchikan Gateway Borough	122	161,941	3,739	1,055	4,794
City of Soldotna	123	103,502	2,389	3,362	5,751
Iditarod Area School District	124	17,849	412	2,870	3,282
Kuspuk School District	125	21,804	503	8,970	9,473
City and Borough of Juneau	126	930,595	21,484	19,987	41,471
City of Kodiak	128	256,862	5,930	16,116	22,046
City of Fairbanks	129	407,554	9,409	14,281	23,690
City of Wasilla	131	264,396	6,104	—	6,104
Sitka Borough School District	133	55,510	1,282	6,107	7,389
City of Palmer	134	115,939	2,677	7,071	9,748
City And Borough of Wrangell	135	87,200	2,013	8,720	10,733
City of Bethel	136	240,094	5,543	9,344	14,887
Valdez City School District	137	53,633	1,238	4,624	5,862
Hoonah City School District	138	5,830	135	2,068	2,203
City of Nome	139	145,701	3,364	2,743	6,107
City of Kotzebue	140	166,637	3,847	14,736	18,583
Galena City School District	141	105,846	2,444	3,531	5,975
City of Petersburg	143	126,535	2,921	3,681	6,602
Bristol Bay Borough	144	105,614	2,438	—	2,438
North Slope Borough	145	1,590,172	36,711	153,410	190,121
Wrangell Public School District	146	13,784	318	4,798	5,116
City of Cordova	148	91,366	2,109	5,523	7,632
Nome City School District	149	24,127	557	5,711	6,268
City of King Cove	151	20,776	480	1,652	2,132
Alaska Housing Finance Corporation	152	343,660	7,934	9,071	17,005
Lower Yukon School District	153	165,420	3,819	11,986	15,805
Northwest Arctic Borough School District	154	160,494	3,705	9,378	13,083
Southeast Island School District	155	23,262	537	1,897	2,434
Pribilof School District	156	6,322	146	168	314
Lower Kuskokwim School District	157	353,221	8,154	16,537	24,691
Kodiak Island Borough School District	158	161,184	3,721	14,845	18,566
Yukon Flats School District	159	18,873	436	1,837	2,273
Yukon / Koyukuk School District	160	64,181	1,482	3,819	5,301
North Slope Borough School District	161	245,830	5,675	20,970	26,645
Aleutian Region School District	162	—	—	176	176
Cordova Community Medical Center	163	125,617	2,900	42,716	45,616

Deferred inflows of resources				OPEB expense (benefit)		
Difference between expected and actual experience	Change of assumptions	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense (benefit)	Net amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions	
					Total OPEB expense (benefit)	Total OPEB expense (benefit)
7,110,572	105,304	158,498	7,374,374	(528,550)	35,400	(493,150)
16,693	247	3,863	20,803	(1,241)	(179)	(1,420)
15,839	235	6,132	22,206	(1,177)	(506)	(1,683)
39,399	583	3,028	43,010	(2,929)	2,306	(623)
5,058	75	2,142	7,275	(376)	(244)	(620)
80,400	1,191	9,501	91,092	(5,976)	(1,321)	(7,297)
78,546	1,163	7,805	87,514	(5,839)	1,326	(4,513)
189,858	2,812	25,433	218,103	(14,113)	(4,615)	(18,728)
197,756	2,929	23,060	223,745	(14,700)	4,601	(10,099)
516,096	7,643	33,128	556,867	(38,363)	19,017	(19,346)
9,402	139	2,591	12,132	(699)	(318)	(1,017)
660,101	9,776	343,608	1,013,485	(49,067)	(65,716)	(114,783)
70,989	1,051	13,808	85,848	(5,277)	(632)	(5,909)
141,771	2,100	13,518	157,389	(10,538)	2,230	(8,308)
188,151	2,786	11,618	202,555	(13,986)	7,286	(6,700)
8,397	124	1,728	10,249	(624)	958	334
68,782	1,019	8,638	78,439	(5,113)	2,324	(2,789)
4,724	70	2,936	7,730	(351)	(129)	(480)
45,502	674	19,147	65,323	(3,382)	(2,611)	(5,993)
29,082	431	70	29,583	(2,162)	854	(1,308)
5,015	74	758	5,847	(373)	234	(139)
6,126	91	3,451	9,668	(455)	756	301
261,477	3,872	25,644	290,993	(19,436)	(2,393)	(21,829)
72,173	1,069	16,137	89,379	(5,365)	(801)	(6,166)
114,514	1,696	46,543	162,753	(8,512)	(8,363)	(16,875)
74,290	1,100	13,003	88,393	(5,522)	(2,898)	(8,420)
15,597	231	353	16,181	(1,159)	1,292	133
32,576	482	3,528	36,586	(2,422)	327	(2,095)
24,501	363	13,058	37,922	(1,821)	(1,150)	(2,971)
67,461	999	13,368	81,828	(5,015)	(1,623)	(6,638)
15,070	223	4,093	19,386	(1,120)	117	(1,003)
1,638	24	184	1,846	(122)	470	348
40,939	606	14,401	55,946	(3,043)	(1,973)	(5,016)
46,821	693	6,110	53,624	(3,480)	900	(2,580)
29,740	440	6,566	36,746	(2,211)	(181)	(2,392)
35,554	527	2,874	38,955	(2,643)	97	(2,546)
29,675	439	12,123	42,237	(2,206)	(2,262)	(4,468)
446,804	6,617	13,141	466,562	(33,212)	24,961	(8,251)
3,873	57	2,221	6,151	(288)	341	53
25,672	380	6,672	32,724	(1,908)	232	(1,676)
6,779	100	840	7,719	(504)	1,113	609
5,838	86	924	6,848	(434)	136	(298)
96,561	1,430	17,183	115,174	(7,178)	(1,410)	(8,588)
46,479	688	10,517	57,684	(3,455)	(320)	(3,775)
45,095	668	1,201	46,964	(3,352)	2,312	(1,040)
6,536	97	2,082	8,715	(486)	31	(455)
1,776	26	759	2,561	(132)	(94)	(226)
99,248	1,470	15,805	116,523	(7,377)	428	(6,949)
45,289	671	4,373	50,333	(3,366)	2,250	(1,116)
5,303	79	1,158	6,540	(394)	260	(134)
18,033	267	7,314	25,614	(1,340)	(373)	(1,713)
69,073	1,023	6,253	76,349	(5,134)	3,087	(2,047)
—	—	—	—	—	84	84
35,296	523	46,153	81,972	(2,624)	(1,655)	(4,279)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2023

Employer	Employer number	Net OPEB asset	Deferred outflows of resources		
			Net difference between projected and actual investment earnings on OPEB plan investments	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred outflows of resources
Lake And Peninsula Borough School District	164	\$ 43,113	995	3,433	4,428
Sitka Community Hospital	165	—	—	54,381	54,381
Tanana School District	166	2,293	53	956	1,009
Southeast Regional Resource Center	167	45,434	1,049	4,778	5,827
Hydaburg City School District	168	1,361	31	8,856	8,887
City of Tanana	169	—	—	28	28
North Pacific Fishery Management Council	170	23,920	552	1,962	2,514
City of Barrow	171	15,680	362	6,137	6,499
City of Saint Paul	172	33,595	776	12,388	13,164
Municipality of Anchorage	173	5,365,958	123,878	170,165	294,043
Kodiak Island Borough	174	52,170	1,204	7,171	8,375
Nome Joint Utility System	175	8,714	201	233	434
City of Sand Point	176	39,821	919	5,150	6,069
Ketchikan Gateway Borough School District	177	149,216	3,445	21,223	24,668
City of Dillingham	178	83,539	1,929	9,570	11,499
City of Unalaska	179	339,571	7,839	16,327	24,166
Kenai Peninsula Borough	180	701,345	16,191	9,164	25,355
City of Ketchikan	181	272,786	6,298	4,770	11,068
City of Seward	182	146,314	3,378	242	3,620
City of Fort Yukon	183	10,121	234	8,071	8,305
Bristol Bay Borough School District	184	11,662	269	1,194	1,463
Cordova City School District	185	19,445	449	1,650	2,099
City of Craig	186	48,510	1,120	3,363	4,483
Petersburg Medical Center	187	219,432	5,066	6,122	11,188
Haines Borough	189	70,315	1,623	5,925	7,548
Kenai Peninsula Borough School District	190	396,221	9,147	18,414	27,561
City of North Pole	191	124,334	2,870	7,695	10,565
City of Galena	192	21,605	499	451	950
City of Nenana	193	3,974	92	2,728	2,820
Yupit School District	195	35,958	830	989	1,819
Nenana City School District	196	43,934	1,014	3,832	4,846
City of Saxman	198	1,455	34	1,343	1,377
City of Hoonah	199	87,710	2,025	7,322	9,347
City of Pelican	200	3,329	77	409	486
City of Whittier	202	58,546	1,352	1,699	3,051
Anchorage Community Development Authority	203	34,337	793	6,250	7,043
Craig City School District	204	24,518	566	1,150	1,716
Dillingham City School District	205	40,746	941	2,400	3,341
City of Thorne Bay	206	11,827	273	1,125	1,398
City of Akutan	208	18,849	435	3,569	4,004
Unalaska City School District	209	21,239	490	706	1,196
Kashunamiut School District	211	39,567	913	2,880	3,793
City of Homer	215	215,598	4,977	347	5,324
Special Education Service Agency	218	7,118	164	834	998
Bartlett Regional Hospital	219	918,695	21,209	49,910	71,119
Northwest Arctic Borough	220	64,303	1,484	4,847	6,331
Saint Mary's School District	221	23,298	538	2,660	3,198
Bristol Bay Regional Housing Authority	223	24,631	569	1,963	2,532
Copper River Basin Regional Housing Authority	224	15,963	369	718	1,087
Skagway City School District	225	8,899	205	452	657
City of Klawock	227	20,866	482	2,264	2,746
Petersburg City School District	228	27,470	634	975	1,609
Aleutians East Borough	230	14,132	326	599	925
City of Huslia	235	2,513	58	556	614



Deferred inflows of resources				OPEB expense (benefit)		
Difference between expected and actual experience	Change of assumptions	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense (benefit)	Net amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions	
					Total OPEB expense (benefit)	Total OPEB expense (benefit)
12,114	179	5,008	17,301	(900)	47	(853)
—	—	1,104	1,104	—	13,512	13,512
644	10	553	1,207	(48)	103	55
12,766	189	4,747	17,702	(949)	(63)	(1,012)
382	6	2,652	3,040	(28)	764	736
—	—	18	18	—	1	1
6,721	100	856	7,677	(500)	109	(391)
4,406	65	1,245	5,716	(328)	913	585
9,439	140	3,659	13,238	(702)	1,251	549
1,507,718	22,329	166,288	1,696,335	(112,074)	(23,322)	(135,396)
14,659	217	1,570	16,446	(1,090)	875	(215)
2,449	36	788	3,273	(182)	(212)	(394)
11,189	166	2,434	13,789	(832)	351	(481)
41,926	621	6,800	49,347	(3,117)	2,433	(684)
23,473	348	6,092	29,913	(1,745)	936	(809)
95,412	1,413	4,302	101,127	(7,092)	1,419	(5,673)
197,066	2,918	59,081	259,065	(14,648)	(9,103)	(23,751)
76,647	1,135	18,531	96,313	(5,697)	(2,679)	(8,376)
41,111	609	7,356	49,076	(3,056)	(1,428)	(4,484)
2,844	42	3,340	6,226	(211)	465	254
3,277	49	1,130	4,456	(244)	(98)	(342)
5,464	81	530	6,075	(406)	156	(250)
13,630	202	3,455	17,287	(1,013)	195	(818)
61,656	913	16,996	79,565	(4,583)	(1,893)	(6,476)
19,757	293	2,575	22,625	(1,469)	495	(974)
111,329	1,649	12,218	125,196	(8,275)	2,460	(5,815)
34,935	517	12,644	48,096	(2,597)	(1,236)	(3,833)
6,070	90	517	6,677	(451)	(80)	(531)
1,117	17	1,921	3,055	(83)	48	(35)
10,103	150	2,259	12,512	(751)	(366)	(1,117)
12,344	183	3,660	16,187	(918)	46	(872)
409	6	356	771	(30)	214	184
24,645	365	6,680	31,690	(1,832)	(11)	(1,843)
935	14	618	1,567	(70)	(31)	(101)
16,450	244	7,941	24,635	(1,223)	(1,279)	(2,502)
9,648	143	536	10,327	(717)	1,448	731
6,889	102	313	7,304	(512)	250	(262)
11,449	170	5,475	17,094	(851)	(318)	(1,169)
3,323	49	1,162	4,534	(247)	70	(177)
5,296	78	2,173	7,547	(394)	188	(206)
5,968	88	563	6,619	(444)	1	(443)
11,118	165	5,618	16,901	(826)	(317)	(1,143)
60,578	897	16,541	78,016	(4,503)	(2,790)	(7,293)
2,000	30	1,354	3,384	(149)	13	(136)
258,133	3,823	46,069	308,025	(19,188)	187	(19,001)
18,068	268	10,090	28,426	(1,343)	(345)	(1,688)
6,546	97	1,817	8,460	(487)	30	(457)
6,921	102	1,445	8,468	(514)	335	(179)
4,485	66	1,950	6,501	(333)	(81)	(414)
2,500	37	1,300	3,837	(186)	(183)	(369)
5,863	87	2,548	8,498	(436)	22	(414)
7,719	114	1,772	9,605	(574)	(43)	(617)
3,971	59	595	4,625	(295)	(6)	(301)
706	10	727	1,443	(52)	(13)	(65)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2023

Employer	Employer number	Net OPEB asset	Deferred outflows of resources		
			Net difference between projected and actual investment earnings on OPEB plan investments	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred outflows of resources
City of Kaltag	237	\$ 507	12	181	193
Haines Borough School District	240	14,148	327	1,248	1,575
City of Atka	243	1,064	25	580	605
Aleutians East Borough School District	244	22,863	528	658	1,186
Delta/Greely School District	246	27,849	643	3,568	4,211
Lake and Peninsula Borough	247	12,671	293	411	704
City and Borough of Yakutat	248	18,929	437	4,454	4,891
City of Unalakleet	249	—	—	2,131	2,131
Klawock City School District	251	15,664	362	320	682
Alaska Gateway School District	255	57,252	1,322	5,400	6,722
Pelican City School District	257	429	10	155	165
Denali Borough	258	16,647	384	244	628
City of Kachemak	260	858	20	—	20
Cook Inlet Housing Authority	262	283,542	6,546	3,820	10,366
Interior Regional Housing Authority	263	25,114	580	3,678	4,258
Yakutat School District	264	3,947	91	930	1,021
Kake City School District	265	10,342	239	1,783	2,022
Aleutian Housing Authority	267	12,253	283	2,694	2,977
Bering Straits Regional Housing Authority	270	20,133	465	5,395	5,860
City of Egegik	271	3,391	78	356	434
Illisagvik College	275	145,169	3,351	10,411	13,762
North Pacific Rim Housing Authority	276	18,265	422	2,291	2,713
Saxman Seaport	278	1,036	24	1,085	1,109
Tlingit-Haida Regional Housing Authority	279	68,024	1,570	6,038	7,608
Baranof Island Housing Authority	281	11,349	262	1,378	1,640
City of Delta Junction	282	2,189	51	2,124	2,175
City of Anderson	283	—	—	197	197
Inter-Island Ferry Authority	284	23,207	536	1,184	1,720
City of Seldovia	286	2,876	66	483	549
Northwest Inupiat Housing Authority	288	20,521	474	4,807	5,281
City of Upper Kalskag	290	—	—	74	74
City of Shaktoolik	291	985	23	399	422
Tagiugmiullu Nunamiullu Housing Authority	293	43,173	997	981	1,978
Municipality of Skagway	296	144,886	3,345	5,412	8,757
City of Nulato	297	—	—	979	979
City of Aniak	298	6,651	154	925	1,079
Alaska Gasline Development Corporation	299	7,217	167	17,267	17,434
Total of all participating entities		\$ 51,304,000	1,184,400	1,574,546	2,758,946

See accompanying notes to schedule of employer allocations and schedule of OPEB amounts by employer.

Deferred inflows of resources				OPEB expense (benefit)		
Difference between expected and actual experience	Change of assumptions	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense (benefit)	Net amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions	
					Total OPEB expense (benefit)	Total OPEB expense (benefit)
142	2	171	315	(11)	10	(1)
3,975	59	695	4,729	(295)	252	(43)
299	4	57	360	(22)	181	159
6,424	95	1,125	7,644	(478)	53	(425)
7,825	116	2,110	10,051	(582)	337	(245)
3,560	53	470	4,083	(265)	3	(262)
5,319	79	4,221	9,619	(395)	35	(360)
—	—	206	206	—	496	496
4,401	65	1,849	6,315	(327)	(213)	(540)
16,087	238	3,246	19,571	(1,196)	198	(998)
121	2	286	409	(9)	(9)	(18)
4,678	69	653	5,400	(348)	(64)	(412)
241	4	404	649	(18)	(62)	(80)
79,669	1,180	15,140	95,989	(5,922)	(1,946)	(7,868)
7,056	105	2,472	9,633	(525)	155	(370)
1,109	16	307	1,432	(82)	97	15
2,906	43	999	3,948	(216)	93	(123)
3,443	51	—	3,494	(256)	619	363
5,657	84	2,479	8,220	(421)	636	215
953	14	482	1,449	(71)	(78)	(149)
40,789	604	9,169	50,562	(3,032)	1,200	(1,832)
5,132	76	1,735	6,943	(381)	17	(364)
291	4	744	1,039	(22)	57	35
19,113	283	2,568	21,964	(1,421)	758	(663)
3,189	47	172	3,408	(237)	247	10
615	9	55	679	(46)	509	463
—	—	5	5	—	47	47
6,521	97	976	7,594	(485)	91	(394)
808	12	182	1,002	(60)	49	(11)
5,766	85	7,221	13,072	(429)	(449)	(878)
—	—	6	6	—	16	16
277	4	315	596	(21)	26	5
12,131	180	5,463	17,774	(902)	(862)	(1,764)
40,710	603	24,360	65,673	(3,026)	(2,902)	(5,928)
—	—	48	48	—	238	238
1,869	28	826	2,723	(139)	(42)	(181)
2,028	30	2,315	4,373	(151)	2,804	2,653
<u>14,415,312</u>	<u>213,485</u>	<u>1,574,546</u>	<u>16,203,343</u>	<u>(1,071,538)</u>	<u>—</u>	<u>(1,071,538)</u>

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(1) Plan Description**

The State of Alaska Public Employees' Retirement System (the System) Occupational Death and Disability Plan (the Plan) is a cost-sharing, multiple-employer defined benefit other postemployment benefit (OPEB) plan that provides OPEB benefits to State and local government employees.

The Plan is established under Alaska Statute 39.35 which establishes benefit and contribution provisions and may be amended only by the State of Alaska (State) legislature. The Plan provides death benefits for beneficiaries of Plan participants and long-term disability benefits to all active members within the System.

**(a) Death Benefits**

If (1) the death of an employee occurs before the employee's retirement and before the employee's normal retirement date, (2) the proximate cause of death is a bodily injury sustained or a hazard undergone while in the performance and within the scope of the employee's duties, and (3) the injury or hazard is not the proximate result of willful negligence of the employee, then a monthly survivor's OPEB shall be paid to the surviving spouse. If there is no surviving spouse or if the spouse later dies, the monthly survivor's OPEB shall be paid in equal parts to the dependent children of the employee.

If an active general member of the System's Defined Benefit OPEB Plan (DB Plan) dies from occupational causes, the spouse may receive a monthly OPEB equal to 40% of the DB Plan member's salary. If an active peace officer or firefighter DB Plan member dies from occupational causes, the spouse may receive a monthly OPEB equal to 50% of the DB Plan member's salary or 75% of the member's retirement benefit calculated as if the member had survived until normal retirement age, whichever is greater. When death is due to occupational causes and there is no surviving spouse, the DB Plan member's dependent child(ren) may receive the monthly OPEB until they are no longer dependents. If the member does not have a spouse or dependent children at the time of death, a lump-sum death benefit is payable to the named beneficiary(ies). The amount of the occupational death OPEB changes on the date the DB Plan member's normal retirement would have occurred if the DB Plan member had lived. The new benefit is based on the DB Plan member's average monthly compensation at the time of death and the credited service, including service that would have accrued if the DB Plan member had lived and continued to work until normal retirement. If the death was from nonoccupational causes and the DB Plan member was vested, the spouse may receive a monthly 50% joint and survivor option benefit based on the member's credited service and average monthly compensation at the time of death. If the DB Plan member is not married or vested, a lump-sum death benefit is payable to the named beneficiary(ies).

The monthly survivor's OPEB section for survivors of the System's Defined Contribution Retirement (DCR) Plan employees who are not peace officers or firefighters is 40% of the employee's monthly compensation in the month in which the employee dies. The monthly survivor's OPEB for survivors of employees who are peace officers or firefighters is 50% of the monthly compensation in the month in which the employee dies. While the monthly survivor's OPEB is being paid, the employer shall make contributions on behalf of the employee's beneficiaries based on the deceased employee's gross monthly compensation at the time of occupational death.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(b) Disability Benefits**

Active DB Plan members who become permanently disabled due to occupational or nonoccupational causes receive disability benefits until normal retirement age, or when the service requirement for normal retirement is met. Although there are no minimum service requirements for DB Plan members to be eligible for occupational disability, DB Plan members must be vested to receive nonoccupational disability benefits. The monthly occupational disability benefit is equal to 40% of the DB Plan's salary at the time of the disability. The nonoccupational disability benefit is based on the DB Plan member's service and salary at the time of disability. At normal retirement age, a disabled general DB Plan member receives normal retirement benefits. A peace officer or firefighter DB Plan member may elect to receive normal retirement benefits calculated under the occupational disability benefit rules.

A DCR Plan member is eligible for an occupational disability benefit if employment is terminated because of a total and apparently permanent occupational disability before the member's normal retirement date. The occupational disability benefits accrue beginning the first day of the month following termination of employment as a result of the disability and are payable the last day of the month. If a final determination granting the benefit is not made in time to pay the benefit when due, a retroactive payment shall be made to cover the period of deferment.

**(2) Basis of Presentation**

The schedule of employer allocations and the schedule of OPEB amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of the Plan and its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the Plan or its participating employers. The amounts presented in the Schedules are prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**(3) Allocation Methodology**

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB asset, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense (benefit). The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of OPEB amounts by employer are based on the ratio of contributions made for each employer to total contributions made to the Plan during the year ended June 30, 2023. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer may result in immaterial differences.

**(4) Contributions**

Employer contributions are actuarially determined and adopted by the Alaska Retirement Management Board (Board). For the year ended June 30, 2023, the rates are 0.68% for occupational death and disability for peace officers and firefighters, and 0.30% for occupational death and disability for all other members.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(5) Collective Net OPEB Asset**

**(a) Components of the Collective Net OPEB Asset**

The components of the collective net OPEB asset of the Plan as of June 30, 2023 are as follows:

Total OPEB liability	\$	20,584,000
Plan fiduciary net position		<u>(71,888,000)</u>
Net OPEB asset	\$	<u><u>(51,304,000)</u></u>

The collective total OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to the measurement date of June 30, 2023. The actuarial valuation used the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 8.50% to 3.85% based on service. For All Others, increases range from 6.75% to 2.85% based on service.
Investment rate of return	7.25%, net of investment expenses. This is based on an average inflation rate of 2.50% and a real return of 4.75%.
Mortality	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time.
Peace officer/firefighter	Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

Mortality  
All Others

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP generational improvement. Deaths are assumed to result from occupational causes 35% of the time.

Post-commencement mortality rates for healthy retirees were based 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement.

Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement.

Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation with the following exceptions:

1. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(b) Long-Term Expected Rate of Return**

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2023 are summarized in the following table (note that the rates shown below exclude an inflation component of 2.50%).

<u>Asset class</u>	<u>Target asset allocation</u>	<u>Long-term expected real rate of return</u>
Broad domestic equity	27.00%	6.17%
Global equity (non-U.S.)	22.00	6.55
Aggregate bonds	23.00	1.63
Real assets	14.00	4.87
Private equity	14.00	11.57
Cash equivalents	—	0.49

**(c) Discount Rate**

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**(d) Sensitivity of the Collective Net OPEB Asset to Changes in the Discount Rate**

The following presents the collective net OPEB asset as of June 30, 2023, calculated using the discount rate of 7.25%, as well as what the Plan's collective net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	<u>1% decrease (6.25%)</u>	<u>Current discount rate (7.25%)</u>	<u>1% increase (8.25%)</u>
\$	48,205,000	51,304,000	53,716,000



**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(6) Collective Deferred Outflows of Resources and Deferred Inflows of Resources**

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ending June 30, 2023:

	<u>Year of deferral</u>	<u>Amortization period</u>	<u>Beginning of year balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of year balance</u>
Deferred outflows of resources						
Difference between projected and actual earnings on OPEB plan investments						
	2019	5 years	\$ 74,200	—	74,200	—
	2020	5 years	471,600	—	235,800	235,800
	2021	5 years	(5,938,800)	—	(1,979,600)	(3,959,200)
	2022	5 years	6,877,600	—	1,719,400	5,158,200
	2023	5 years	—	(313,000)	(62,600)	(250,400)
			<u>\$ 1,484,600</u>	<u>(313,000)</u>	<u>(12,800)</u>	<u>1,184,400</u>
Total deferred outflows of resources						
Deferred inflows of resources:						
Difference between expected and actual experience						
	2017	9.1 years	\$ 160,112	—	51,648	108,464
	2018	9.1 years	2,534,340	—	618,132	1,916,208
	2019	8.2 years	1,665,659	—	396,585	1,269,074
	2020	8.2 years	1,916,389	—	368,537	1,547,852
	2021	8.3 years	3,733,698	—	592,651	3,141,047
	2022	7.8 years	4,371,179	—	642,821	3,728,358
	2023	7.8 years	—	3,102,000	397,691	2,704,309
			<u>14,381,377</u>	<u>3,102,000</u>	<u>3,068,065</u>	<u>14,415,312</u>
Change in assumptions						
	2019	8.2 years	270,440	—	64,390	206,050
	2022	7.8 years	8,718	—	1,283	7,435
			<u>279,158</u>	<u>—</u>	<u>65,673</u>	<u>213,485</u>
Total deferred inflows of resources						
			<u>\$ 14,660,535</u>	<u>3,102,000</u>	<u>3,133,738</u>	<u>14,628,797</u>

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 7.8 years, 7.8 years, 8.3 years, 8.2 years, 8.2 years, 9.1 years, and 9.1 years for the 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2022

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:		
2024	\$	(3,220,738)
2025		(3,456,538)
2026		(1,430,454)
2027		(2,219,590)
2028		(1,708,153)
Thereafter		<u>(1,408,924)</u>
Total	\$	<u><u>(13,444,397)</u></u>

**(7) Collective OPEB Expense (Benefit)**

The components of the collective OPEB expense (benefit) (excluding employer specific amounts) for the year ending June 30, 2023 are as follows:

Service cost	\$	5,068,000
Interest on total OPEB liability		1,623,000
Administrative expenses		34,000
Expected investment return net of investment expenses		(4,650,000)
Recognition (amortization) of deferred outflows/inflows of resources:		
Difference between expected and actual experience		(3,068,065)
Change in assumptions		(65,673)
Difference between projected and actual investment earnings on OPEB plan investments		<u>(12,800)</u>
Total OPEB expense (benefit)	\$	<u><u>(1,071,538)</u></u>



**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

(With Independent Auditors' Report Thereon)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

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KPMG LLP  
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701 West Eighth Avenue  
Anchorage, AK 99501

## Independent Auditors' Report

The Division of Retirement and Benefits and  
Members of the Alaska Retirement Management Board  
State of Alaska Public Employees' Retirement System

### *Opinions*

We have audited the schedule of employer allocations of the State of Alaska Public Employees' Retirement System Retiree Medical Plan (the Plan) as of and for the year ended June 30, 2023, and the related notes. We have also audited the total for all participating entities of the columns titled net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (benefit) (specified column totals) included in the accompanying schedule of OPEB amounts by employer of the Plan as of and for the year ended June 30, 2023, and the related notes.

In our opinion, the accompanying schedules referred to above present fairly, in all material respects, the employer allocations and net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (benefit) for the total of all participating entities for the Plan as of and for the year ended June 30, 2023, in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Schedules*

Management is responsible for the preparation and fair presentation of these schedules in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibilities for the Audit of the Schedules*

Our objectives are to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts in the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer and the related disclosures.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Other Matter*

We have audited, in accordance with GAAS, the financial statements of the Public Employees' Retirement System as of and for the year ended June 30, 2023, and our report thereon, dated October 12, 2023, expressed an unmodified opinion on those financial statements.

*Restriction on Use*

Our report is intended solely for the information and use of the Public Employees' Retirement System management, Alaska Management Retirement Board, Public Employees' Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

*KPMG LLP*

Anchorage, Alaska  
December 21, 2023

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2023

Employer	Employer number	Employer contributions	Allocation percentage
State of Alaska	101	\$ 9,065,215	48.33961 %
Southwest Region School District	102	25,994	0.13861
Annette Island School District	103	24,675	0.13158
Bering Strait School District	104	61,390	0.32736
Chatham School District	105	7,881	0.04203
City of Valdez	107	100,688	0.53692
Juneau Borough School District	108	122,386	0.65262
Matanuska-Susitna Borough	109	261,915	1.39665
Matanuska-Susitna Borough School District	110	308,014	1.64247
Anchorage School District	111	804,111	4.28788
Copper River School District	112	14,650	0.07812
University of Alaska	113	1,007,976	5.37497
City of Kenai	115	73,051	0.38954
Fairbanks North Star Borough	116	220,899	1.17793
Fairbanks North Star Borough School District	117	293,077	1.56282
Denali Borough School District	118	13,084	0.06977
City and Borough of Sitka	120	88,539	0.47213
Chugach School District	121	7,342	0.03915
Ketchikan Gateway Borough	122	60,166	0.32083
City of Soldotna	123	37,584	0.20041
Iditarod Area School District	124	7,814	0.04167
Kuspuk School District	125	9,546	0.05090
City and Borough of Juneau	126	319,467	1.70354
City of Kodiak	128	75,049	0.40020
City of Fairbanks	129	87,738	0.46786
City of Wasilla	131	87,885	0.46864
Sitka Borough School District	133	24,302	0.12959
City of Palmer	134	38,151	0.20344
City and Borough of Wrangell	135	30,566	0.16299
City of Bethel	136	69,869	0.37257
Valdez City School District	137	23,482	0.12522
Hoonah City School District	138	2,552	0.01361
City of Nome	139	46,622	0.24861
City of Kotzebue	140	51,386	0.27401
Galena City School District	141	46,339	0.24710
City of Petersburg	143	47,004	0.25065
Bristol Bay Borough	144	39,724	0.21183
North Slope Borough	145	598,853	3.19335
Wrangell Public School District	146	6,035	0.03218
City of Cordova	148	32,573	0.17370
Nome City School District	149	10,562	0.05632
City of King Cove	151	8,080	0.04309

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2023

<u>Employer</u>	<u>Employer number</u>	<u>Employer contributions</u>	<u>Allocation percentage</u>
Alaska Housing Finance Corporation	152	\$ 150,115	0.80048 %
Lower Yukon School District	153	72,417	0.38616
Northwest Arctic Borough School District	154	70,266	0.37469
Southeast Island School District	155	10,185	0.05431
Pribilof School District	156	2,767	0.01476
Lower Kuskokwim School District	157	154,345	0.82303
Kodiak Island Borough School District	158	70,569	0.37630
Yukon Flats School District	159	8,245	0.04397
Yukon/Koyukuk School District	160	28,069	0.14968
North Slope Borough School District	161	107,524	0.57337
Aleutian Region School District	162	—	—
Cordova Community Medical Center	163	55,142	0.29404
Lake and Peninsula Borough School District	164	18,798	0.10024
Sitka Community Hospital	165	—	—
Tanana School District	166	1,004	0.00535
Southeast Regional Resource Center	167	19,891	0.10607
Hydaburg City School District	168	588	0.00313
City of Tanana	169	—	—
North Pacific Fishery Management Council	170	10,472	0.05584
City of Barrow	171	6,851	0.03653
City of Saint Paul	172	12,073	0.06438
Municipality of Anchorage	173	1,564,975	8.34514
Kodiak Island Borough	174	21,751	0.11599
Nome Joint Utility System	175	3,815	0.02034
City of Sand Point	176	12,696	0.06770
Ketchikan Gateway Borough School District	177	65,328	0.34836
City of Dillingham	178	27,879	0.14866
City of Unalaska	179	119,830	0.63899
Kenai Peninsula Borough	180	212,857	1.13505
City of Ketchikan	181	85,565	0.45627
City of Seward	182	51,073	0.27235
City of Fort Yukon	183	3,256	0.01736
Bristol Bay Borough School District	184	5,106	0.02723
Cordova City School District	185	8,514	0.04540
City of Craig	186	17,843	0.09515
Petersburg Medical Center	187	96,071	0.51229
Haines Borough	189	21,348	0.11384
Kenai Peninsula Borough School District	190	173,469	0.92501
City of North Pole	191	30,258	0.16135
City of Galena	192	8,513	0.04540
City of Nenana	193	1,714	0.00914
Yupiit School District	195	15,742	0.08395



**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2023

Employer	Employer number	Employer contributions	Allocation percentage
Nenana City School District	196	\$ 19,236	0.10257 %
City of Saxman	198	637	0.00340
City of Hoonah	199	14,484	0.07724
City of Pelican	200	1,457	0.00777
City of Whittier	202	18,262	0.09738
Anchorage Community Development Authority	203	15,032	0.08016
Craig City School District	204	10,735	0.05724
Dillingham City School District	205	17,839	0.09513
City of Thorne Bay	206	5,178	0.02761
City of Akutan	208	8,253	0.04401
Unalaska City School District	209	9,299	0.04959
Kashunamiut School District	211	17,323	0.09237
City of Homer	215	70,828	0.37769
Special Education Service Agency	218	3,116	0.01662
Bartlett Regional Hospital	219	402,237	2.14491
Northwest Arctic Borough	220	28,151	0.15012
Saint Mary's School District	221	10,200	0.05439
Bristol Bay Regional Housing Authority	223	10,784	0.05751
Copper River Basin Regional Housing Authority	224	6,989	0.03727
Skagway City School District	225	3,890	0.02075
City of Klawock	227	8,624	0.04599
Petersburg City School District	228	12,026	0.06413
Aleutians East Borough	230	6,188	0.03300
City of Huslia	235	1,097	0.00585
City of Kaltag	237	220	0.00117
Haines Borough School District	240	6,194	0.03303
City of Atka	243	463	0.00247
Aleutians East Borough School District	244	10,010	0.05338
Delta/Greely School District	246	12,191	0.06501
Lake and Peninsula Borough	247	5,547	0.02958
City and Borough of Yakutat	248	5,830	0.03109
City of Unalakleet	249	—	—
Klawock City School District	251	6,850	0.03652
Alaska Gateway School District	255	25,038	0.13351
Pelican City School District	257	188	0.00100
Denali Borough	258	7,287	0.03886
City of Kachemak	260	371	0.00198
Cook Inlet Housing Authority	262	123,823	0.66028
Interior Regional Housing Authority	263	10,994	0.05862
Yakutat School District	264	1,728	0.00922
Kake City School District	265	4,527	0.02414
Aleutian Housing Authority	267	5,364	0.02860

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2023

<u>Employer</u>	<u>Employer number</u>	<u>Employer contributions</u>	<u>Allocation percentage</u>
Bering Straits Regional Housing Authority	270	\$ 8,815	0.04700 %
City of Egegik	271	1,485	0.00792
Ilisagvik College	275	63,556	0.33891
North Pacific Rim Housing Authority	276	7,996	0.04264
Saxman Seaport	278	454	0.00242
Tlingit-Haida Regional Housing Authority	279	29,781	0.15881
Baranof Island Housing Authority	281	4,968	0.02649
City of Delta Junction	282	958	0.00511
City of Anderson	283	—	—
Inter-Island Ferry Authority	284	10,160	0.05418
City of Seldovia	286	1,259	0.00672
Northwest Inupiat Housing Authority	288	8,985	0.04791
City of Upper Kalskag	290	—	—
City of Shaktoolik	291	429	0.00229
Tagiugmiullu Nunamiullu Housing Authority	293	18,902	0.10079
Municipality of Skagway	296	51,665	0.27550
City of Nulato	297	—	—
City of Aniak	298	2,912	0.01553
Alaska Gasline Development Corporation	299	3,160	0.01685
Total contributions		\$ <u>18,753,135</u>	<u>100.00000 %</u>

See accompanying notes to schedule of employer allocations and schedule of OPEB amounts by employer.

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**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2023

Deferred outflows of resources							
Employer	Employer number	Net OPEB asset	Difference between expected and actual experience	Change in assumptions	Net difference between projected and actual investment earnings on OPEB plan investments	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred outflows of resources
State of Alaska	101	\$ 22,953,634	699,673	2,468,293	1,923,438	3,000	5,094,404
Southwest Region School District	102	65,819	2,006	7,078	5,515	1,573	16,172
Annette Island School District	103	62,478	1,904	6,719	5,235	3,268	17,126
Bering Strait School District	104	155,442	4,738	16,715	13,026	1,578	36,057
Chatham School District	105	19,956	608	2,146	1,672	316	4,742
City of Valdez	107	254,949	7,771	27,416	21,364	4,168	60,719
Juneau Borough School District	108	309,889	9,446	33,324	25,968	3,807	72,545
Matanuska-Susitna Borough	109	663,183	20,215	71,315	55,573	14,866	161,969
Matanuska-Susitna Borough School District	110	779,909	23,773	83,867	65,354	12,957	185,951
Anchorage School District	111	2,036,056	62,063	218,945	170,615	11,591	463,214
Copper River School District	112	37,095	1,131	3,989	3,108	686	8,914
University of Alaska	113	2,552,252	77,798	274,454	213,870	97,332	663,454
City of Kenai	115	184,969	5,638	19,890	15,500	662	41,690
Fairbanks North Star Borough	116	559,330	17,049	60,147	46,870	6,656	130,722
Fairbanks North Star Borough School District	117	742,088	22,620	79,800	62,184	9,202	173,806
Denali Borough School District	118	33,129	1,010	3,563	2,776	1,294	8,643
City And Borough of Sitka	120	224,186	6,834	24,108	18,786	4,208	53,936
Chugach School District	121	18,589	567	1,999	1,558	141	4,265
Ketchikan Gateway Borough	122	152,345	4,644	16,382	12,766	1,720	35,512
City of Soldotna	123	95,165	2,901	10,233	7,975	89	21,198
Iditarod Area School District	124	19,785	603	2,128	1,658	1,082	5,471
Kuspuk School District	125	24,170	737	2,599	2,025	3,896	9,257
City And Borough of Juneau	126	808,908	24,657	86,985	67,784	8,865	188,291
City of Kodiak	128	190,029	5,792	20,435	15,924	2,139	44,290
City of Fairbanks	129	222,157	6,772	23,889	18,616	12,813	62,090
City of Wasilla	131	222,529	6,783	23,929	18,647	3,742	53,101
Sitka Borough School District	133	61,534	1,876	6,617	5,156	463	14,112
City of Palmer	134	96,601	2,945	10,388	8,095	1,580	23,008
City And Borough of Wrangell	135	77,394	2,359	8,322	6,485	4,025	21,191
City of Bethel	136	176,912	5,393	19,024	14,825	3,800	43,042
Valdez City School District	137	59,457	1,812	6,394	4,982	1,894	15,082
Hoonah City School District	138	6,462	197	695	542	394	1,828
City of Nome	139	118,049	3,598	12,694	9,892	1,485	27,669
City of Kotzebue	140	130,113	3,966	13,992	10,903	2,562	31,423
Galena City School District	141	117,332	3,577	12,617	9,832	1,122	27,148
City of Petersburg	143	119,018	3,628	12,798	9,973	1,899	28,298
Bristol Bay Borough	144	100,584	3,066	10,816	8,429	3,479	25,790
North Slope Borough	145	1,516,329	46,221	163,057	127,063	22,961	359,302
Wrangell Public School District	146	15,281	466	1,643	1,281	1,671	5,061
City of Cordova	148	82,477	2,514	8,869	6,911	994	19,288
Nome City School District	149	26,744	815	2,876	2,241	1,192	7,124
City of King Cove	151	20,460	624	2,200	1,714	301	4,839
Alaska Housing Finance Corporation	152	380,100	11,586	40,874	31,851	7,331	91,642
Lower Yukon School District	153	183,364	5,589	19,718	15,365	8,803	49,475
Northwest Arctic Borough School District	154	177,919	5,423	19,132	14,909	15	39,479
Southeast Island School District	155	25,788	786	2,773	2,161	542	6,262
Pribilof School District	156	7,007	214	753	587	293	1,847
Lower Kuskokwim School District	157	390,809	11,913	42,025	32,749	4,610	91,297
Kodiak Island Borough School District	158	178,685	5,447	19,215	14,973	3,355	42,990
Yukon Flats School District	159	20,877	636	2,245	1,749	256	4,886
Yukon / Koyukuk School District	160	71,072	2,166	7,643	5,956	682	16,447
North Slope Borough School District	161	272,257	8,299	29,277	22,814	1,498	61,888
Aleutian Region School District	162	—	—	—	—	—	—
Cordova Community Medical Center	163	139,622	4,256	15,014	11,700	42,669	73,639
Lake And Peninsula Borough School District	164	47,598	1,451	5,118	3,989	833	11,391
Sitka Community Hospital	165	—	—	—	—	238	238
Tanana School District	166	2,542	77	273	213	178	741
Southeast Regional Resource Center	167	50,364	1,535	5,416	4,220	3,468	14,639
Hydaburg City School District	168	1,488	45	160	125	3,395	3,725
City of Tanana	169	—	—	—	—	17	17

Deferred inflows of resources				OPEB expense		
Difference between expected and actual experience	Change in assumptions	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense	Net amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions	
					Total OPEB expense	Total OPEB expense (benefit)
740,918	18,665,455	121,720	19,528,093	2,902,726	(39,771)	2,862,955
2,125	53,522	890	56,537	8,323	159	8,482
2,017	50,806	260	53,083	7,901	642	8,543
5,017	126,403	1,455	132,875	19,657	(142)	19,515
644	16,228	413	17,285	2,524	(4)	2,520
8,229	207,319	1,016	216,564	32,241	1,073	33,314
10,003	251,996	784	262,763	39,189	816	40,005
21,407	539,288	—	560,695	83,866	3,714	87,580
25,175	634,207	3,627	663,009	98,628	1,749	100,377
65,721	1,655,681	18,201	1,739,603	257,480	(1,498)	255,982
1,197	30,165	521	31,883	4,691	82	4,773
82,384	2,075,443	31,975	2,189,802	322,759	21,890	344,649
5,971	150,414	1,805	158,190	23,391	(132)	23,259
18,054	454,836	6,862	479,752	70,733	502	71,235
23,954	603,452	7,965	635,371	93,845	530	94,375
1,069	26,940	1,147	29,156	4,190	(5)	4,185
7,236	182,304	6,509	196,049	28,351	(920)	27,431
600	15,116	1,154	16,870	2,351	(205)	2,146
4,917	123,884	2,674	131,475	19,266	(243)	19,023
3,072	77,386	1,644	82,102	12,035	(479)	11,556
639	16,089	1,813	18,541	2,502	(4)	2,498
780	19,655	1,362	21,797	3,057	466	3,523
26,111	657,789	8,927	692,827	102,295	619	102,914
6,134	154,528	2,515	163,177	24,031	177	24,208
7,171	180,654	—	187,825	28,094	2,695	30,789
7,183	180,956	1,132	189,271	28,141	841	28,982
1,986	50,039	1,798	53,823	7,782	(424)	7,358
3,118	78,554	2,587	84,259	12,216	(114)	12,102
2,498	62,935	2,954	68,387	9,787	306	10,093
5,710	143,861	1,030	150,601	22,372	717	23,089
1,919	48,350	1,136	51,405	7,519	191	7,710
209	5,255	616	6,080	817	(144)	673
3,810	95,995	2,672	102,477	14,928	(175)	14,753
4,200	105,805	1,453	111,458	16,454	283	16,737
3,787	95,412	1,569	100,768	14,838	(193)	14,645
3,842	96,783	952	101,577	15,054	207	15,261
3,247	81,793	528	85,568	12,720	735	13,455
48,945	1,233,050	45,135	1,327,130	191,756	(5,168)	186,588
493	12,427	2,045	14,965	1,932	(14)	1,918
2,662	67,069	2,764	72,495	10,430	(502)	9,928
863	21,748	1,846	24,457	3,382	(280)	3,102
660	16,638	703	18,001	2,587	(100)	2,487
12,269	309,090	526	321,885	48,068	1,660	49,728
5,919	149,108	155	155,182	23,188	1,974	25,162
5,743	144,680	5,511	155,934	22,500	(1,333)	21,167
832	20,970	2,140	23,942	3,261	(271)	2,990
226	5,698	202	6,126	886	28	914
12,615	317,799	5,122	335,536	49,422	9	49,431
5,768	145,303	4,204	155,275	22,597	(334)	22,263
674	16,977	1,477	19,128	2,640	(287)	2,353
2,294	57,794	2,376	62,464	8,988	(264)	8,724
8,788	221,395	12,037	242,220	34,430	(1,850)	32,580
—	—	125	125	—	(60)	(60)
4,507	113,538	33,208	151,253	17,657	3,205	20,862
1,536	38,706	3,087	43,329	6,019	(466)	5,553
—	—	45,947	45,947	—	(11,301)	(11,301)
82	2,067	803	2,952	321	(127)	194
1,626	40,955	283	42,864	6,369	571	6,940
48	1,210	386	1,644	188	590	778
—	—	33	33	—	(3)	(3)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2023

Deferred outflows of resources							
Employer	Employer number	Net OPEB asset	Difference between expected and actual experience	Change in assumptions	Net difference between projected and actual investment earnings on OPEB plan investments	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred outflows of resources
North Pacific Fishery Management Council	170	\$ 26,517	808	2,851	2,222	785	6,666
City of Barrow	171	17,346	529	1,865	1,454	846	4,694
City of Saint Paul	172	30,569	932	3,287	2,562	3,748	10,529
Municipality of Anchorage	173	3,962,606	120,788	426,114	332,053	68,202	947,157
Kodiak Island Borough	174	55,075	1,679	5,922	4,615	1,215	13,431
Nome Joint Utility System	175	9,660	294	1,039	809	658	2,800
City of Sand Point	176	32,148	980	3,457	2,694	446	7,577
Ketchikan Gateway Borough School District	177	165,414	5,042	17,788	13,861	4,233	40,924
City of Dillingham	178	70,592	2,152	7,591	5,915	—	15,658
City of Unalaska	179	303,417	9,249	32,628	25,425	2,029	69,331
Kenai Peninsula Borough	180	538,966	16,429	57,957	45,164	6,200	125,750
City of Ketchikan	181	216,655	6,603	23,298	18,155	4,952	53,008
City of Seward	182	129,320	3,942	13,906	10,837	2,118	30,803
City of Fort Yukon	183	8,243	251	886	691	3,561	5,389
Bristol Bay Borough School District	184	12,928	394	1,390	1,083	784	3,651
Cordova City School District	185	21,557	657	2,318	1,806	535	5,316
City of Craig	186	45,179	1,377	4,858	3,786	—	10,021
Petersburg Medical Center	187	243,256	7,415	26,158	20,384	9,132	63,089
Haines Borough	189	54,055	1,648	5,813	4,530	677	12,668
Kenai Peninsula Borough School District	190	439,233	13,389	47,232	36,806	1,613	99,040
City of North Pole	191	76,614	2,335	8,239	6,420	929	17,923
City of Galena	192	21,556	657	2,318	1,806	371	5,152
City of Nenana	193	4,340	132	467	364	1,646	2,609
Yupit School District	195	39,861	1,215	4,286	3,340	1,541	10,382
Nenana City School District	196	48,706	1,485	5,238	4,081	1,504	12,308
City of Saxman	198	1,614	49	174	135	474	832
City of Hoonah	199	36,675	1,118	3,944	3,073	154	8,289
City of Pelican	200	3,690	112	397	309	235	1,053
City of Whittier	202	46,239	1,409	4,972	3,875	1,837	12,093
Anchorage Community Development Authority	203	38,063	1,160	4,093	3,190	134	8,577
Craig City School District	204	27,181	829	2,923	2,278	41	6,071
Dillingham City School District	205	45,170	1,377	4,857	3,785	3,451	13,470
City of Thorne Bay	206	13,111	400	1,410	1,099	104	3,013
City of Akutan	208	20,897	637	2,247	1,751	1,057	5,692
Unalaska City School District	209	23,545	718	2,532	1,973	476	5,699
Kashunamiut School District	211	43,862	1,337	4,717	3,676	2,655	12,385
City of Homer	215	179,341	5,467	19,285	15,028	3,759	43,539
Special Education Service Agency	218	7,890	241	848	661	85	1,835
Bartlett Regional Hospital	219	1,018,487	31,045	109,522	85,346	22,577	248,490
Northwest Arctic Borough	220	71,281	2,173	7,665	5,973	4,008	19,819
Saint Mary's School District	221	25,827	787	2,777	2,164	2,174	7,902
Bristol Bay Regional Housing Authority	223	27,306	832	2,936	2,288	308	6,364
Copper River Basin Regional Housing Authority	224	17,696	539	1,903	1,483	210	4,135
Skagway City School District	225	9,851	300	1,059	825	774	2,958
City of Klawock	227	21,836	666	2,348	1,830	695	5,539
Petersburg City School District	228	30,451	928	3,275	2,552	141	6,896
Aleutians East Borough	230	15,668	478	1,685	1,313	144	3,620
City of Huslia	235	2,777	85	299	233	175	792
City of Kaltag	237	557	17	60	47	56	180
Haines Borough School District	240	15,683	478	1,686	1,314	75	3,553
City of Atka	243	1,174	36	126	98	24	284
Aleutians East Borough School District	244	25,346	773	2,726	2,124	551	6,174
Delta/Greely School District	246	30,870	941	3,320	2,587	1,209	8,057
Lake And Peninsula Borough	247	14,045	428	1,510	1,177	490	3,605
City And Borough of Yakutat	248	14,763	450	1,587	1,237	823	4,097
City of Unalakleet	249	—	—	—	—	223	223
Klawock City School District	251	17,343	529	1,865	1,453	507	4,354
Alaska Gateway School District	255	63,996	1,932	6,817	5,312	2,304	16,365
Pelican City School District	257	475	14	51	40	55	160
Denali Borough	258	18,452	562	1,984	1,546	283	4,375

Deferred inflows of resources				OPEB expense		
Difference between expected and actual experience	Change in assumptions	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense	Net amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions	
					Total OPEB expense (benefit)	
856	21,563	591	23,010	3,354	135	3,489
560	14,106	2,487	17,153	2,194	(349)	1,845
987	24,858	845	26,690	3,866	460	4,326
127,908	3,222,315	4,776	3,354,999	501,113	17,332	518,445
1,778	44,786	1,934	48,498	6,965	(58)	6,907
312	7,855	59	8,226	1,222	204	1,426
1,038	26,142	840	28,020	4,065	(72)	3,993
5,339	134,511	2,023	141,873	20,918	482	21,400
2,279	57,404	4,424	64,107	8,927	(935)	7,992
9,794	246,733	2,460	258,987	38,370	115	38,485
17,397	438,277	4,680	460,354	68,158	323	68,481
6,993	176,180	1,708	184,881	27,398	768	28,166
4,174	105,161	193	109,528	16,354	436	16,790
266	6,703	2,176	9,145	1,042	324	1,366
417	10,513	161	11,091	1,635	198	1,833
696	17,529	940	19,165	2,726	—	2,726
1,458	36,738	1,595	39,791	5,713	(363)	5,350
7,852	197,811	1,923	207,586	30,762	1,681	32,443
1,745	43,956	2,957	48,658	6,836	(372)	6,464
14,178	357,176	7,154	378,508	55,546	(1,499)	54,047
2,473	62,301	2,025	66,799	9,689	(147)	9,542
696	17,529	125	18,350	2,726	76	2,802
140	3,529	586	4,255	549	247	796
1,287	32,414	299	34,000	5,041	386	5,427
1,572	39,607	1,310	42,489	6,159	46	6,205
52	1,312	350	1,714	204	(9)	195
1,184	29,823	1,627	32,634	4,638	(314)	4,324
119	3,001	157	3,277	467	12	479
1,493	37,601	1,085	40,179	5,847	287	6,134
1,229	30,952	4,878	37,059	4,813	(1,122)	3,691
877	22,103	681	23,661	3,437	(145)	3,292
1,458	36,731	2,151	40,340	5,712	174	5,886
423	10,661	994	12,078	1,658	(173)	1,485
675	16,993	1,966	19,634	2,643	(41)	2,602
760	19,146	474	20,380	2,978	43	3,021
1,416	35,668	828	37,912	5,547	222	5,769
5,789	145,837	2,256	153,882	22,680	335	23,015
255	6,416	846	7,517	998	(178)	820
32,875	828,214	4,262	865,351	128,798	4,344	133,142
2,301	57,964	4,778	65,043	9,014	(397)	8,617
834	21,002	278	22,114	3,266	422	3,688
881	22,205	1,364	24,450	3,453	(320)	3,133
571	14,390	602	15,563	2,238	(123)	2,115
318	8,011	67	8,396	1,246	153	1,399
705	17,756	934	19,395	2,761	(78)	2,683
983	24,762	899	26,644	3,851	(137)	3,714
506	12,741	107	13,354	1,981	26	2,007
90	2,258	499	2,847	351	(60)	291
18	453	88	559	70	(9)	61
506	12,753	1,128	14,387	1,983	(265)	1,718
38	954	467	1,459	148	(137)	11
818	20,611	640	22,069	3,205	(61)	3,144
996	25,103	431	26,530	3,904	66	3,970
453	11,421	142	12,016	1,776	72	1,848
477	12,005	959	13,441	1,867	(33)	1,834
—	—	1,483	1,483	—	(323)	(323)
560	14,103	310	14,973	2,193	44	2,237
2,046	51,553	517	54,116	8,017	421	8,438
15	387	192	594	60	(29)	31
596	15,005	191	15,792	2,333	40	2,373

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2023

Deferred outflows of resources

Employer	Employer number	Net OPEB asset	Difference between expected and actual experience	Change in assumptions	Net difference between projected and actual investment earnings on OPEB plan investments	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred outflows of resources
City of Kachemak	260	\$ 940	29	101	79	18	227
Cook Inlet Housing Authority	262	313,526	9,557	33,715	26,272	10,046	79,590
Interior Regional Housing Authority	263	27,837	849	2,993	2,333	2,327	8,502
Yakutat School District	264	4,376	133	471	367	336	1,307
Kake City School District	265	11,463	349	1,233	961	686	3,229
Aleutian Housing Authority	267	13,582	414	1,461	1,138	41	3,054
Bering Straits Regional Housing Authority	270	22,320	680	2,400	1,870	1,290	6,240
City of Egegik	271	3,760	115	404	315	300	1,134
Ilisagvik College	275	160,928	4,905	17,305	13,485	223	35,918
North Pacific Rim Housing Authority	276	20,246	617	2,177	1,697	1,206	5,897
Saxman Seaport	278	1,149	35	124	96	210	465
Tlingit-Haida Regional Housing Authority	279	75,407	2,299	8,109	6,319	2,418	19,145
Baranof Island Housing Authority	281	12,580	383	1,353	1,054	137	2,927
City of Delta Junction	282	2,426	74	261	203	114	652
City of Anderson	283	—	—	—	—	6	6
Inter-Island Ferry Authority	284	25,726	784	2,766	2,156	399	6,105
City of Seldovia	286	3,189	97	343	267	116	823
Northwest Inupiat Housing Authority	288	22,750	693	2,446	1,906	2,160	7,205
City of Upper Kalskag	290	—	—	—	—	3	3
City of Shaktoolik	291	1,087	33	117	91	233	474
Tagiugmiullu Nunamiullu Housing Authority	293	47,861	1,459	5,147	4,011	3,104	13,721
Municipality of Skagway	296	130,818	3,988	14,067	10,962	972	29,989
City of Nulato	297	—	—	—	—	23	23
City of Aniak	298	7,373	225	793	618	617	2,253
Alaska Gasline Development Corporation	299	8,001	244	860	670	1,822	3,596
Total of all participating entities		\$ 47,484,000	1,447,404	5,106,138	3,979,000	538,456	11,070,998

See accompanying notes to schedule of employer allocations and schedule of OPEB amounts by employer.



Deferred inflows of resources				OPEB expense			
Difference between expected and actual experience	Change in assumptions	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense	Net amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions		Total OPEB expense (benefit)
30	764	62	856	119	(6)	113	
10,120	254,954	828	265,902	39,649	2,060	41,709	
899	22,637	440	23,976	3,520	344	3,864	
141	3,558	189	3,888	553	39	592	
370	9,322	114	9,806	1,450	111	1,561	
438	11,045	1,429	12,912	1,718	(340)	1,378	
720	18,150	1,077	19,947	2,823	(120)	2,703	
121	3,057	51	3,229	475	79	554	
5,195	130,863	8,044	144,102	20,351	(1,748)	18,603	
654	16,464	123	17,241	2,560	227	2,787	
37	934	612	1,583	145	(49)	96	
2,434	61,320	3,013	66,767	9,536	(123)	9,413	
406	10,230	367	11,003	1,591	(52)	1,539	
78	1,973	861	2,912	307	(247)	60	
—	—	158	158	—	(35)	(35)	
830	20,920	889	22,639	3,253	(85)	3,168	
103	2,593	144	2,840	403	—	403	
734	18,500	1,775	21,009	2,877	38	2,915	
—	—	71	71	—	(16)	(16)	
35	884	192	1,111	137	1	138	
1,545	38,919	338	40,802	6,052	604	6,656	
4,223	106,379	3,439	114,041	16,543	(234)	16,309	
—	—	885	885	—	(213)	(213)	
238	5,996	110	6,344	932	132	1,064	
258	6,506	12,562	19,326	1,012	(2,110)	(1,098)	
<u>1,532,725</u>	<u>38,613,080</u>	<u>538,456</u>	<u>40,684,261</u>	<u>6,004,846</u>	<u>—</u>	<u>6,004,846</u>	

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(1) Plan Description**

The State of Alaska Public Employees' Retirement System (System) Retiree Medical Plan (Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefits (OPEB) plan that provides health benefits to State and local government employees.

The Plan is established under Alaska Statute 39.35, which establishes benefit and contribution provisions, and may be amended only by the State of Alaska (State) legislature. The self-insured Plan provides major medical coverage to eligible employees who participate in the System's Defined Contribution Retirement (DCR) Plan. Members are not eligible to use this Plan until they have at least 10 years of service and are Medicare age eligible.

The medical benefits available to eligible persons means that an eligible person may not be denied medical coverage except for failure to pay the required premium. Major medical insurance coverage takes effect on the first day of the month following the date of the Plan administrator's approval of the election and stops when the person who elects coverage dies or fails to make the required premium payment. The coverage for persons 65 years of age or older is the same as that available for persons under 65 years of age. The benefits payable to those persons 65 years of age or older supplement any benefits provided under the federal old age, survivors and disability insurance program. The medical and optional insurance premiums owed by the person who elects coverage may be deducted from the health reimbursement arrangement until the balance becomes insufficient to pay the premiums, at which point the person who elects coverage shall pay the premiums directly.

The cost of premiums for retiree major medical insurance coverage for an eligible member or surviving spouse who is:

- (1) not eligible for Medicare is an amount equal to the full monthly group premium for retiree major medical insurance coverage,
- (2) eligible for Medicare is the following percentage of the premium amounts established for retirees who are eligible for Medicare:
  - (a) 30 percent if the member had 10 or more, but less than 15, years of service;
  - (b) 25 percent if the member had 15 or more, but less than 20, years of service;
  - (c) 20 percent if the member had 20 or more, but less than 25, years of service;
  - (d) 15 percent if the member had 25 or more, but less than 30, years of service; and
  - (e) 10 percent if the member had 30 or more years of service.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(2) Basis of Presentation**

The schedule of employer allocations and the schedule of OPEB amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of the Plan and its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the Plan or its participating employers. The amounts presented in the Schedules are prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**(3) Allocation Methodology**

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB asset, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense (benefit). The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of OPEB amounts by employer are based on the ratio of contributions made for each employer to total contributions made to the Plan during the year ended June 30, 2023. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer may result in immaterial differences.

**(4) Contributions**

Employer contribution rates are actuarially determined and adopted by the Alaska Retirement Management Board (Board). The 2023 employer effective contribution rate is 1.10% of annual payroll.

**(5) Collective Net OPEB Asset**

**(a) Components of the Collective Net OPEB Asset**

The components of the collective net OPEB asset of the Plan as of June 30, 2023 are as follows:

Total OPEB liability	\$ 195,493,000
Plan fiduciary net position	<u>(242,977,000)</u>
Net OPEB asset	<u>\$ (47,484,000)</u>

The collective total OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to the measurement date of June 30,

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

2023. The actuarial valuation used the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 8.50% to 3.85% based on service. For other, increases range from 6.75% to 2.85% based on service.
Investment rate of return	7.25%, net of investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%
Healthcare cost trend rates	Pre-65 medical: 6.7% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drugs: 7.2% grading down to 4.5% Employer Group Waiver Plan (EGWP): 7.2% grading down to 4.5% Initial trend rates are for FY 2024 Ultimate trend rates reached in FY 2050
Mortality - Peace Officer/Firefighter	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

Mortality  
All Others

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time.

Post-commencement mortality rates for healthy retirees were based on 101% of male and 110% of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement.

Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement.

Post-commencement mortality rates for beneficiaries were based on 101% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

Participation rates reflect the expected plan election rate that varies by reason for decrement, duration that a member may pay full cost prior to Medicare eligibility and availability of alternative and/or lower cost options, particularly in the Medicare market. This assumption is based on observed trends in participation from a range of other plans. The following participation rates were used to measure the collective net OPEB liability of the Plan as of June 30, 2023:

<b>Decrement due to disability</b>		<b>Decrement due to retirement</b>	
<b>Age</b>	<b>Percent participation</b>	<b>Age</b>	<b>Percent participation</b>
<56	75.0 %	55	50.0 %
56	77.5	56	55.0
57	80.0	57	60.0
58	82.5	58	65.0
59	85.0	59	70.0
60	87.5	60	75.0
61	90.0	61	80.0
62	92.5	62	85.0
63	95.0	63	90.0
64	97.5	64	95.0
65+	100.0	65+	<b>Years of service</b>
			<15
			15–19
			20–24
			25–29
			30+
			75.0 %
			80.0
			85.0
			90.0
			95.0

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(b) Long-Term Expected Rate of Return**

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation are summarized in the following table (note that the rates shown below exclude an inflation component of 2.50%):

<u>Asset class</u>	<u>Target asset allocation</u>	<u>Long-term expected real rate of return</u>
Broad domestic equity	27.00%	6.17%
Global equity (non-U.S.)	22.00	6.55
Aggregate bonds	23.00	1.63
Real assets	14.00	4.87
Private equity	14.00	11.57
Cash equivalents	—	0.49

**(c) Discount Rate**

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**(d) Sensitivity of the Collective Net OPEB Liability (Asset) to Changes in the Discount Rate**

The following presents the collective net OPEB asset of the Plan as of June 30, 2023, calculated using the discount rate of 7.25%, as well as what the Plan's collective net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	<u>1% decrease (6.25%)</u>	<u>Current discount rate (7.25%)</u>	<u>1% increase (8.25%)</u>
\$	(1,650,000)	(47,484,000)	(82,497,000)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(e) Sensitivity of the Collective Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates**

The following presents the collective net OPEB liability (asset) of the Plan as of June 30, 2023 calculated using the current healthcare cost trend rates as disclosed above, as well as what the Plan's collective net OPEB liability (asset) would be if it were calculated using trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	<b>1% decrease</b>	<b>Current healthcare cost trend rate</b>	<b>1% increase</b>
\$	(87,196,000)	(47,484,000)	5,858,000

**(6) Collective Deferred Outflows of Resources and Deferred Inflows of Resources**

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ending June 30, 2023:

	<b>Year of deferral</b>	<b>Amortization period</b>	<b>Beginning of year balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>End of year balance</b>
Deferred outflow s resources:						
Difference between expected and actual experience						
	2020	8.2 years	\$ 26,634	—	5,122	21,512
	2021	8.3 years	1,694,928	—	269,036	1,425,892
			1,721,562	—	274,158	1,447,404
Change in assumptions						
	2018	9.1 years	2,983,990	—	727,802	2,256,188
	2019	8.2 years	3,740,560	—	890,610	2,849,950
			6,724,550	—	1,618,412	5,106,138
Difference between projected and actual earnings on OPEB plan investments						
	2019	5 years	242,400	—	242,400	—
	2020	5 years	1,530,000	—	765,000	765,000
	2021	5 years	(20,103,600)	—	(6,701,200)	(13,402,400)
	2022	5 years	23,284,800	—	5,821,200	17,463,600
	2023	5 years	—	(1,059,000)	(211,800)	(847,200)
			4,953,600	(1,059,000)	(84,400)	3,979,000
Total deferred outflow s of resources			\$ 13,399,712	(1,059,000)	1,808,170	10,532,542



**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

	Year of deferral	Amortization period	Beginning of year balance	Additions	Deductions	End of year balance
Deferred inflows of resources						
Difference between expected and actual experience	2017	9.1 years	\$ 15,670	—	5,055	10,615
	2018	9.1 years	326,200	—	79,560	246,640
	2019	8.2 years	686,340	—	163,415	522,925
	2022	7.8 years	336,513	—	49,487	287,026
	2023	7.7 years	—	535,000	69,481	465,519
			<u>1,364,723</u>	<u>535,000</u>	<u>366,998</u>	<u>1,532,725</u>
Change in assumptions	2020	8.2 years	13,243,513	—	2,546,829	10,696,684
	2021	8.3 years	139,662	—	22,169	117,493
	2022	7.8 years	28,259,231	—	4,155,769	24,103,462
	2023	7.7 years	—	4,247,000	551,559	3,695,441
			<u>41,642,406</u>	<u>4,247,000</u>	<u>7,276,326</u>	<u>38,613,080</u>
Total deferred inflows of resources			<u>\$ 43,007,129</u>	<u>4,782,000</u>	<u>7,643,324</u>	<u>40,145,805</u>

The previous amounts do not include employer and nonemployer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer and nonemployer over the average of the expected remaining service lives of all plan members, which is 7.7 years, 7.8 years, 8.3 years, 8.2 years, 8.2 years, 9.1 years, and 9.1 years for the 2023, 2022, 2021, 2020, 2019, 2018, and 2017 amounts, respectively.

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2024	\$ (6,077,553)
2025	(6,842,553)
2026	(136,804)
2027	(7,122,672)
2028	(5,087,769)
Thereafter	<u>(4,345,912)</u>
Total	<u>\$ (29,613,263)</u>

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2022

**(7) Collective OPEB Expense**

The components of the collective OPEB expense (excluding employer specific amounts) for the year ending June 30, 2023 are as follows:

Service cost	\$	13,969,000
Interest on total OPEB liability		13,545,000
Administrative expense		45,000
Expected investment return net of investment expenses		(15,717,000)
Other		(2,000)
Recognition (amortization) of deferred outflows/inflows of resources:		
Difference between expected and actual experience		(92,840)
Change in assumptions		(5,657,914)
Difference between projected and actual investment earnings on OPEB plan investments		(84,400)
		<u>(6,435,154)</u>
Total OPEB expense	\$	<u><u>6,004,846</u></u>



**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2023

(With Independent Auditors' Report Thereon)

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

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KPMG LLP  
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## Independent Auditor's Report

The Division of Retirement and Benefits and  
Members of the Alaska Retirement Management Board  
State of Alaska Teachers' Retirement System

### *Opinions*

We have audited the schedule of employer and nonemployer allocations of the State of Alaska Teachers' Retirement System Defined Benefit Pension Plan (the Plan) as of and for the year ended June 30, 2023, and the related notes. We have also audited the total for all participating entities of the columns titled net pension liability, total deferred outflows of resources, and total pension expense (benefit) (specified column totals) included in the accompanying schedule of pension amounts by employer and nonemployer of the Plan as of and for the year ended June 30, 2023, and the related notes.

In our opinion, the accompanying schedules referred to above present fairly, in all material respects, the employer and nonemployer allocations and net pension liability, total deferred outflows of resources, and total pension expense (benefit) for the total of all participating entities for the Plan as of and for the year ended June 30, 2023, in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Schedules*

Management is responsible for the preparation and fair presentation of these schedules in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibilities for the Audit of the Schedules*

Our objectives are to obtain reasonable assurance about whether the schedule of employer and nonemployer allocations and specified column totals included in the schedule of pension amounts by employer and nonemployer are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule of employer and nonemployer allocations and specified column totals included in the schedule of pension amounts by employer and nonemployer.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule of employer and nonemployer allocations and specified column totals included in the schedule of pension amounts by employer and nonemployer, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts in the schedule of employer and nonemployer allocations and specified column totals included in the schedule of pension amounts by employer and nonemployer and the related disclosures.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule of employer and nonemployer allocations and specified column totals included in the schedule of pension amounts by employer and nonemployer.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Other Matter*

We have audited, in accordance with GAAS, the financial statements of the State of Alaska Teachers' Retirement System as of and for the year ended June 30, 2023, and our report thereon, dated October 12, 2023, expressed an unmodified opinion on those financial statements.

*Other Information*

The supplemental schedule of employer allocations of special funding amounts, supplemental schedule of special funding amounts by employer, and supplemental schedule of employer and nonemployer contributions have not been subject to the auditing procedures applied in the audit of the schedule of employer and nonemployer allocations and schedule of pension amounts by employer and nonemployer and accordingly, we do not express an opinion or provide any assurance on them.

*Restriction on Use*

Our report is intended solely for the information and use of the State of Alaska Teachers' Retirement System management, Alaska Management Retirement Board, State of Alaska Teachers' Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

*KPMG LLP*

Anchorage, Alaska  
December 21, 2023

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Schedule of Employer and Nonemployer Allocations

As of and for the year ended June 30, 2023

<u>Employer/nonemployer</u>	<u>Employer/ nonemployer number</u>	<u>Present value of projected future contributions</u>	<u>Allocation percentage</u>
Employer:			
Anchorage School District	701	\$ 234,511,000	13.72426 %
Cordova City School District	704	1,731,000	0.10130
Craig City School District	705	1,963,000	0.11488
Fairbanks North Star Borough School District	706	58,340,000	3.41423
Haines Borough School District	707	1,371,000	0.08023
Hoonah City School District	708	501,000	0.02932
Hydaburg City School District	709	882,000	0.05162
Juneau Borough School District	710	23,479,000	1.37406
Kake City School District	712	868,000	0.05080
Ketchikan Gateway Borough School District	714	13,908,000	0.81394
Klawock City School District	717	968,000	0.05665
Kodiak Island Borough School District	718	12,394,000	0.72533
Nenana City School District	719	2,395,000	0.14016
Nome City School District	720	3,297,000	0.19295
Matanuska-Susitna Borough School District	722	89,190,000	5.21966
Pelican City School District	723	98,000	0.00574
Petersburg City School District	724	2,802,000	0.16398
Sitka Borough School District	727	8,183,000	0.47889
Skagway City School District	728	931,000	0.05448
Unalaska City School District	729	2,079,000	0.12167
Valdez City School District	730	4,023,000	0.23544
Wrangell Public School District	731	1,415,000	0.08281
Yakutat School District	732	390,000	0.02282
University of Alaska	733	23,739,000	1.38927
Galena City School District	735	5,664,000	0.33147
North Slope Borough School District	736	12,146,000	0.71082
State of Alaska	737	11,191,000	0.65493
Bristol Bay Borough School District	742	931,000	0.05448
Southeast Regional Resource Center	743	614,000	0.03593
Dillingham City School District	744	2,284,000	0.13367
Kenai Peninsula Borough School District	746	42,072,000	2.46218
Saint Mary's School District	748	871,000	0.05097
Northwest Arctic Borough School District	751	9,791,000	0.57300
Bering Strait School District	752	15,258,000	0.89294
Lower Yukon School District	753	13,475,000	0.78860
Lower Kuskokwim School District	754	24,152,000	1.41344

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Schedule of Employer and Nonemployer Allocations

As of and for the year ended June 30, 2023

<u>Employer/nonemployer</u>	<u>Employer/ nonemployer number</u>	<u>Present value of projected future contributions</u>	<u>Allocation percentage</u>
Kuspuk School District	755	\$ 2,855,000	0.16708 %
Southwest Region School District	756	4,205,000	0.24609
Lake And Peninsula Borough School District	757	4,029,000	0.23579
Aleutian Region School District	758	170,000	0.00995
Pribilof School District	759	170,000	0.00995
Iditarod Area School District	761	1,355,000	0.07930
Yukon / Koyukuk School District	762	5,295,000	0.30988
Yukon Flats School District	763	1,567,000	0.09171
Denali Borough School District	764	2,235,000	0.13080
Delta/Greely School District	765	3,413,000	0.19974
Alaska Gateway School District	766	2,554,000	0.14947
Copper River School District	767	1,508,000	0.08825
Chatham School District	768	942,000	0.05513
Southeast Island School District	769	1,358,000	0.07947
Annette Island School District	770	2,214,000	0.12957
Chugach School District	771	1,458,000	0.08533
Tanana School District	775	241,000	0.01410
Kashunamiut School District	777	751,000	0.04395
Yupiiit School District	778	2,522,000	0.14759
Special Education Service Agency	779	1,001,000	0.05858
Aleutians East Borough School District	780	1,289,000	0.07544
Total present value of projected future employer contributions		669,039,000	39.15409
Nonemployer:			
State of Alaska	999	1,039,694,000	60.84591
Total of all participating entities		<u>\$ 1,708,733,000</u>	<u>100.00000 %</u>

See accompanying notes to schedule of employer and nonemployer allocations and schedule of pension amounts by employer and nonemployer.



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**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Schedule of Pension Amounts by Employer and Nonemployer

As of and for the year ended June 30, 2023

Employer/nonemployer	Employer/ nonemployer number	Net pension liability	Deferred outflows of resources	
			Difference between projected and actual investment earnings on pension plan investments	Total deferred outflows of resources
Employer:				
Anchorage School District	701	\$ 241,333,468	9,895,470	9,895,470
Cordova City School District	704	1,781,359	73,042	73,042
Craig City School District	705	2,020,108	82,831	82,831
Fairbanks North Star Borough School District	706	60,037,246	2,461,725	2,461,725
Haines Borough School District	707	1,410,886	57,851	57,851
Hoonah City School District	708	515,575	21,140	21,140
Hydaburg City School District	709	907,659	37,217	37,217
Juneau Borough School District	710	24,162,058	990,724	990,724
Kake City School District	712	893,252	36,626	36,626
Ketchikan Gateway Borough School District	714	14,312,616	586,864	586,864
Klawock City School District	717	996,161	40,846	40,846
Kodiak Island Borough School District	718	12,754,570	522,979	522,979
Nenana City School District	719	2,464,676	101,060	101,060
Nome City School District	720	3,392,917	139,121	139,121
Matanuska-Susitna Borough School District	722	91,784,744	3,763,477	3,763,477
Pelican City School District	723	100,851	4,135	4,135
Petersburg City School District	724	2,883,517	118,234	118,234
Sitka Borough School District	727	8,421,062	345,291	345,291
Skagway City School District	728	958,085	39,285	39,285
Unalaska City School District	729	2,139,483	87,726	87,726
Valdez City School District	730	4,140,038	169,755	169,755
Wrangell Public School District	731	1,456,166	59,708	59,708
Yakutat School District	732	401,346	16,457	16,457
University of Alaska	733	24,429,622	1,001,695	1,001,695
Galena City School District	735	5,828,779	238,999	238,999
North Slope Borough School District	736	12,499,355	512,515	512,515
State of Alaska	737	11,516,572	472,217	472,217
Bristol Bay Borough School District	742	958,085	39,285	39,285
Southeast Regional Resource Center	743	631,863	25,908	25,908
Dillingham City School District	744	2,350,447	96,376	96,376
Kenai Peninsula Borough School District	746	43,295,972	1,775,278	1,775,278
Saint Mary's School District	748	896,339	36,753	36,753
Northwest Arctic Borough School District	751	10,075,843	413,143	413,143
Bering Strait School District	752	15,701,891	643,829	643,829
Lower Yukon School District	753	13,867,019	568,593	568,593
Lower Kuskokwim School District	754	24,854,638	1,019,122	1,019,122
Kuspuk School District	755	2,938,059	120,470	120,470
Southwest Region School District	756	4,327,333	177,435	177,435
Lake And Peninsula Borough School District	757	4,146,213	170,008	170,008
Aleutian Region School District	758	174,946	7,173	7,173
Pribilof School District	759	174,946	7,173	7,173
Iditarod Area School District	761	1,394,420	57,176	57,176
Yukon / Koyukuk School District	762	5,449,044	223,429	223,429
Yukon Flats School District	763	1,612,588	66,121	66,121
Denali Borough School District	764	2,300,021	94,308	94,308
Delta/Greely School District	765	3,512,292	144,016	144,016
Alaska Gateway School District	766	2,628,302	107,769	107,769
Copper River School District	767	1,551,871	63,632	63,632
Chatham School District	768	969,405	39,749	39,749
Southeast Island School District	769	1,397,507	57,302	57,302
Annette Island School District	770	2,278,410	93,422	93,422
Chugach School District	771	1,500,417	61,522	61,522
Tanana School District	775	248,011	10,169	10,169
Kashunamiut School District	777	772,848	31,689	31,689
Yupit School District	778	2,595,371	106,419	106,419
Special Education Service Agency	779	1,030,121	42,238	42,238
Aleutians East Borough School District	780	1,326,500	54,391	54,391
Total attributable to employer contributions		688,502,893	28,230,888	28,230,888
Nonemployer:				
State of Alaska	999	1,069,941,107	43,871,112	43,871,112
Total of all participating entities		\$ 1,758,444,000	72,102,000	72,102,000

See accompanying notes to schedule of employer and nonemployer allocations and schedule of pension amounts by employer and nonemployer.

<b>Pension expense (benefit)</b>		
<b>Proportionate share of allocable plan pension expense</b>	<b>Net amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions</b>	<b>Total pension expense (benefit)</b>
33,320,429	(25,226,488)	8,093,941
245,949	(482,762)	(236,813)
278,912	(618,725)	(339,813)
8,289,222	(14,389,448)	(6,100,226)
194,798	(178,814)	15,984
71,184	(218,140)	(146,956)
125,319	50,048	175,367
3,336,007	(3,650,910)	(314,903)
123,330	(59,241)	64,089
1,976,114	(1,391,775)	584,339
137,538	(164,187)	(26,649)
1,760,998	(2,666,338)	(905,340)
340,293	(68,207)	272,086
468,453	(835,957)	(367,504)
12,672,535	(14,030,140)	(1,357,605)
13,924	(24,633)	(10,709)
398,121	(638,222)	(240,101)
1,162,679	(384,024)	778,655
132,281	(90,777)	41,504
295,394	(47,995)	247,399
571,607	(732,256)	(160,649)
201,050	(405,039)	(203,989)
55,413	(251,490)	(196,077)
3,372,949	(2,774,316)	598,633
804,768	(782,733)	22,035
1,725,761	(2,612,090)	(886,329)
1,590,070	241,972	1,832,042
132,281	(77,842)	54,439
87,240	(55,557)	31,683
324,521	(881,224)	(556,703)
5,977,788	(5,564,537)	413,251
123,756	(208,823)	(85,067)
1,391,151	(3,224,636)	(1,833,485)
2,167,929	(1,108,480)	1,059,449
1,914,591	51,954	1,966,545
3,431,630	(189,325)	3,242,305
405,652	177,114	582,766
597,466	(1,082,648)	(485,182)
572,459	(477,793)	94,666
24,154	(202,111)	(177,957)
24,154	(257,090)	(232,936)
192,525	29,318	221,843
752,339	62,652	814,991
222,647	(108,585)	114,062
317,559	(466,901)	(149,342)
484,935	(255,641)	229,294
362,884	(643,165)	(280,281)
214,264	(274,583)	(60,319)
133,844	95,837	229,681
192,951	(128,853)	64,098
314,576	(636,474)	(321,898)
207,160	(340,533)	(133,373)
34,242	(6,894)	27,348
106,706	(394,997)	(288,291)
358,338	(115,556)	242,782
142,227	(265,383)	(123,156)
183,147	(754,983)	(571,836)
95,060,214	(89,738,426)	5,321,788
147,724,622	89,738,426	237,463,048
242,784,836	—	242,784,836

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2023

**(1) Plan Description**

The State of Alaska Teachers' Retirement System (the System) Defined Benefit Pension Plan (the Plan) is a cost-sharing multiple-employer defined benefit pension plan that provides pension benefits for teachers and other eligible members.

The Plan is established under Alaska Statute 14.25, which defines the benefit and contribution provisions, and may be amended only by the State of Alaska (State) legislature. The 24<sup>th</sup> Alaska State Legislature enacted into law Senate Bill 141, which closed the Plan to new members effective July 1, 2006.

There are two tiers within the Plan:

- Employees hired between July 1, 1955 and June 30, 1990
- Employees hired between July 1, 1990 and June 30, 2006

Vested members hired prior to July 1, 1990 are entitled to pension benefits beginning at normal retirement age, 55, or early retirement age, 50. For members hired after June 30, 1990, the normal and early retirement ages are 60 and 55, respectively. Members may also retire at any age and receive a normal benefit when they accumulate the required credited service.

The normal annual pension benefit is based on years of service and average base salary. The average base salary is based upon the members' three highest contract years' salaries.

The benefit related to all years of credited service prior to July 1, 1990 and for years of service through a total of 20 years is equal to 2% of the employee's average base salary. The benefit for each year over 20 years of service subsequent to June 30, 1990 is equal to 2.5% of the employee's base salary.

Minimum benefits for members eligible for retirement are \$25 per month for each year of credited service.

Married members must receive their benefits in the form of a joint and survivor annuity unless their spouse consents to another form of benefit or benefits are payable under the 1% supplemental contributions provision.

The Plan has two types of postretirement pension adjustments (PRPA). The automatic PRPA is issued annually to all eligible benefit recipients when the cost of living increases in the previous calendar year. The automatic PRPA increase is paid beginning July 1 of each year. The discretionary PRPA may be granted to eligible recipients by the Plan's Administrator if the cost of living in the previous calendar year rises and the financial condition of the Plan's permits. If both an automatic and discretionary PRPA are granted, and a retiree is eligible for both adjustments, the one that provides the retiree the greater increase will be paid.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2023

**(2) Basis of Presentation**

The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of the Plan, its participating employers, or the State as a nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the Plan, its participating employers, or the State. The amounts presented in the Schedules are prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**(3) Allocation Methodology**

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense (benefit). The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2024 to 2039. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

**(4) Contributions**

Employer contributions are actuarially determined and adopted by the Alaska Retirement Management Board (the Board). Employer contributions were 12.56% of annual payroll for the fiscal year 2023.

Alaska Statute 14.25.085 requires the State, as a nonemployer contributing entity, to contribute each July 1, or as soon after July 1 for the ensuing fiscal year, an amount that when combined with the total employer contributions is sufficient to pay the Plan's past service liability at the actuarially determined contribution rate adopted by the Board for that fiscal year.

**(5) Collective Net Pension Liability**

**(a) Components of Collective Net Pension Liability**

The components of the collective net pension liability of the Plan as of June 30, 2023, are as follows:

Total pension liability	\$	7,857,964,000
Plan fiduciary net position		<u>(6,099,520,000)</u>
Net pension liability	\$	<u><u>1,758,444,000</u></u>

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2023

The collective total pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial valuation used the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	Range from 7.00% to 2.85% based on service.
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Mortality	<p>Pre-commencement mortality rates were based on the Pub-2010 Teachers Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 15% of the time.</p> <p>Post-commencement mortality rates for healthy retirees were based on 97% of the Pub-2010 Teachers Retiree table, amount-weighted, and projected with MP-2021 generational improvement.</p> <p>Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement.</p> <p>Post-commencement mortality rates for beneficiaries were based on 100% of male and 95% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.</p>

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation with the following exceptions:

1. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2023

**(b) Long-Term Expected Rate of Return**

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the plan's target asset allocation as of June 30, 2023 are summarized in the following table (note that the rates shown below exclude an inflation component of 2.50%):

<u>Asset class</u>	<u>Target asset allocation</u>	<u>Long-term expected real rate of return</u>
Broad domestic equity	27.00%	6.17%
Global equity (non-U.S.)	22.00	6.55
Aggregate bonds	23.00	1.63
Real assets	14.00	4.87
Private equity	14.00	11.57
Cash equivalents	—	0.49

**(c) Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer and nonemployer contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**(d) Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the Plan as of June 30, 2023 calculated using the discount rate of 7.25%, as well as what the Plan's collective net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	<u>1% decrease (6.25%)</u>	<u>Current discount rate (7.25%)</u>	<u>1% increase (8.25%)</u>
\$	2,588,539,000	1,758,444,000	1,057,182,000

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2023

**(6) Collective Deferred Outflows of Resources and Deferred Inflows of Resources**

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2023:

	Year of deferral	Amortization period	Beginning of year balance	Additions	Deductions	End of year balance
Deferred outflows of resources:						
Change in assumptions	2022	1.1 years	\$ 14,008,909	—	14,008,909	—
Difference between projected and actual earnings on pension plan investments						
	2019	5 years	16,292,600	—	16,292,600	—
	2020	5 years	72,740,000	—	36,370,000	36,370,000
	2021	5 years	(720,211,200)	—	(240,070,400)	(480,140,800)
	2022	5 years	704,780,800	—	176,195,200	528,585,600
	2023	5 years	—	(15,891,000)	(3,178,200)	(12,712,800)
			<u>73,602,200</u>	<u>(15,891,000)</u>	<u>(14,390,800)</u>	<u>72,102,000</u>
Total deferred outflows of resources			<u>\$ 87,611,109</u>	<u>(15,891,000)</u>	<u>(381,891)</u>	<u>72,102,000</u>
Deferred inflows of resources:						
Difference between expected and actual experience						
	2022	1.1 years	\$ 5,424,273	—	5,424,273	—
	2023	1.0 years	—	(118,504,000)	(118,504,000)	—
Total deferred inflows of resources			<u>\$ 5,424,273</u>	<u>(118,504,000)</u>	<u>(113,079,727)</u>	<u>—</u>

The previous amounts do not include employer and nonemployer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer and nonemployer over the average of the expected remaining service lives of all plan members, which is 1.0 years and 1.1 years for the 2023 and 2022 amounts, respectively.

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2024	\$ (30,683,400)
2025	(67,053,400)
2026	173,017,000
2027	<u>(3,178,200)</u>
Total	<u>\$ 72,102,000</u>



**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2023

**(7) Collective Pension Expense**

The components of the collective pension expense (excluding employer specific amounts) for the year ending June 30, 2023 are as follows:

Service cost	\$ 44,003,000
Interest on total pension liability	540,174,000
Member contributions	(31,835,000)
Administrative expense	3,310,000
Other	(31,000)
Expected investment return net of investment expenses	(425,534,000)
Recognition (amortization) of deferred outflows/inflows of resources:	
Difference between expected and actual experience	113,079,727
Change in assumptions	14,008,909
Difference between projected and actual investment earnings on pension plan investments	<u>(14,390,800)</u>
Total pension expense	<u>\$ 242,784,836</u>

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Employer Allocations of Special Funding Amounts (Unaudited)

As of and for the year ended June 30, 2023

Employer	Employer number	Present value of projected future State contributions	Employer proportionate share
Anchorage School District	701	\$ 370,632,000	35.64819 %
Cordova City School District	704	2,740,000	0.26354
Craig City School District	705	3,098,000	0.29797
Fairbanks North Star Borough School District	706	92,203,000	8.86828
Haines Borough School District	707	2,164,000	0.20814
Hoonah City School District	708	795,000	0.07646
Hydaburg City School District	709	1,394,000	0.13408
Juneau Borough School District	710	37,106,000	3.56893
Kake City School District	712	1,369,000	0.13167
Ketchikan Gateway Borough School District	714	21,982,000	2.11428
Klawock City School District	717	1,527,000	0.14687
Kodiak Island Borough School District	718	19,591,000	1.88430
Nenana City School District	719	3,786,000	0.36415
Nome City School District	720	5,212,000	0.50130
Matanuska-Susitna Borough School District	722	140,962,000	13.55803
Pelican City School District	723	155,000	0.01491
Petersburg City School District	724	4,431,000	0.42618
Sitka Borough School District	727	12,933,000	1.24392
Skagway City School District	728	1,470,000	0.14139
Unalaska City School District	729	3,286,000	0.31605
Valdez City School District	730	6,359,000	0.61162
Wrangell Public School District	731	2,241,000	0.21554
Yakutat School District	732	617,000	0.05934
University of Alaska	733	37,519,000	3.60866
Galena City School District	735	8,951,000	0.86093
North Slope Borough School District	736	19,194,000	1.84612
Bristol Bay Borough School District	742	1,472,000	0.14158
Southeast Regional Resource Center	743	969,000	0.09320
Dillingham City School District	744	3,607,000	0.34693
Kenai Peninsula Borough School District	746	66,491,000	6.39525
Saint Mary's School District	748	1,376,000	0.13235
Northwest Arctic Borough School District	751	15,478,000	1.48871
Bering Strait School District	752	24,113,000	2.31924
Lower Yukon School District	753	21,298,000	2.04849
Lower Kuskokwim School District	754	38,169,000	3.67118
Kuspuk School District	755	4,512,000	0.43397
Southwest Region School District	756	6,644,000	0.63903
Lake And Peninsula Borough School District	757	6,364,000	0.61210
Aleutian Region School District	758	272,000	0.02616

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Employer Allocations of Special Funding Amounts (Unaudited)

As of and for the year ended June 30, 2023

Employer	Employer number	Present value of projected future State contributions	Employer proportionate share
Pribilof School District	759	\$ 272,000	0.02616 %
Iditarod Area School District	761	2,140,000	0.20583
Yukon / Koyukuk School District	762	8,366,000	0.80466
Yukon Flats School District	763	2,475,000	0.23805
Denali Borough School District	764	3,536,000	0.34010
Delta/Greely School District	765	5,389,000	0.51833
Alaska Gateway School District	766	4,040,000	0.38858
Copper River School District	767	2,384,000	0.22930
Chatham School District	768	1,488,000	0.14312
Southeast Island School District	769	2,149,000	0.20670
Annette Island School District	770	3,495,000	0.33616
Chugach School District	771	2,306,000	0.22180
Tanana School District	775	387,000	0.03722
Kashunamiut School District	777	1,186,000	0.11407
Yupit School District	778	3,983,000	0.38309
Special Education Service Agency	779	1,579,000	0.15187
Aleutians East Borough School District	780	2,037,000	0.19592
		\$ 1,039,694,000	100.00000 %

See accompanying independent auditors' report.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Special Funding Amounts by Employer (Unaudited)

As of and for the year ended June 30, 2023

<b>Employer</b>	<b>Employer number</b>	<b>State proportionate share of net pension liability attributable to employer</b>	<b>Employer pension expense and related revenue attributable to special funding situation</b>
Anchorage School District	701	\$ 381,414,545	52,661,140
Cordova City School District	704	2,819,713	389,312
Craig City School District	705	3,188,128	440,178
Fairbanks North Star Borough School District	706	94,885,399	13,100,637
Haines Borough School District	707	2,226,956	307,471
Hoonah City School District	708	818,128	112,957
Hydaburg City School District	709	1,434,555	198,066
Juneau Borough School District	710	38,185,499	5,272,195
Kake City School District	712	1,408,827	194,514
Ketchikan Gateway Borough School District	714	22,621,507	3,123,306
Klawock City School District	717	1,571,424	216,963
Kodiak Island Borough School District	718	20,160,948	2,783,582
Nenana City School District	719	3,896,144	537,933
Nome City School District	720	5,363,629	740,546
Matanuska-Susitna Borough School District	722	145,062,911	20,028,545
Pelican City School District	723	159,509	22,023
Petersburg City School District	724	4,559,908	629,577
Sitka Borough School District	727	13,309,251	1,837,582
Skagway City School District	728	1,512,766	208,865
Unalaska City School District	729	3,381,597	466,890
Valdez City School District	730	6,543,998	903,517
Wrangell Public School District	731	2,306,196	318,412
Yakutat School District	732	634,950	87,666
University of Alaska	733	38,610,515	5,330,876
Galena City School District	735	9,211,405	1,271,800
North Slope Borough School District	736	19,752,398	2,727,174
Bristol Bay Borough School District	742	1,514,824	209,149
Southeast Regional Resource Center	743	997,190	137,680
Dillingham City School District	744	3,711,936	512,500
Kenai Peninsula Borough School District	746	68,425,377	9,447,355
Saint Mary's School District	748	1,416,031	195,509
Northwest Arctic Borough School District	751	15,928,291	2,199,187
Bering Strait School District	752	24,814,503	3,426,089
Lower Yukon School District	753	21,917,608	3,026,120
Lower Kuskokwim School District	754	39,279,425	5,423,231
Kuspuk School District	755	4,643,265	641,086

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Special Funding Amounts by Employer (Unaudited)

As of and for the year ended June 30, 2023

<u>Employer</u>	<u>Employer number</u>	<u>State proportionate share of net pension liability attributable to employer</u>	<u>Employer pension expense and related revenue attributable to special funding situation</u>
Southwest Region School District	756	\$ 6,837,289	944,011
Lake And Peninsula Borough School District	757	6,549,143	904,227
Aleutian Region School District	758	279,913	38,647
Pribilof School District	759	279,913	38,647
Iditarod Area School District	761	2,202,258	304,061
Yukon / Koyukuk School District	762	8,609,386	1,188,681
Yukon Flats School District	763	2,547,003	351,660
Denali Borough School District	764	3,638,870	502,412
Delta/Greely School District	765	5,545,778	765,695
Alaska Gateway School District	766	4,157,533	574,022
Copper River School District	767	2,453,356	338,730
Chatham School District	768	1,531,289	211,422
Southeast Island School District	769	2,211,519	305,340
Annette Island School District	770	3,596,678	496,586
Chugach School District	771	2,373,087	327,647
Tanana School District	775	398,259	54,987
Kashunamiut School District	777	1,220,503	168,512
Yupiit School District	778	4,098,875	565,923
Special Education Service Agency	779	1,624,937	224,352
Aleutians East Borough School District	780	2,096,261	289,427
Total for all participating employers		<u>\$ 1,069,941,106</u>	<u>147,724,622</u>

See accompanying independent auditors' report.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Employer and Nonemployer Contributions (Unaudited)

For the year ended June 30, 2023

<u>Employer/nonemployer</u>	<u>Employer number</u>	<u>Actual contributions</u>
Employer:		
Anchorage School District	701	\$ 18,982,470
Cordova City School District	704	170,529
Craig City School District	705	155,889
Fairbanks North Star Borough School District	706	4,237,258
Haines Borough School District	707	63,772
Hoonah City School District	708	58,446
Hydaburg City School District	709	14,831
Juneau Borough School District	710	1,968,010
Kake City School District	712	44,504
Ketchikan Gateway Borough School District	714	1,105,515
Klawock City School District	717	102,103
Kodiak Island Borough School District	718	829,130
Nenana City School District	719	175,593
Nome City School District	720	236,216
Matanuska-Susitna Borough School District	722	6,784,920
Pelican City School District	723	(100)
Petersburg City School District	724	200,943
Sitka Borough School District	727	670,833
Skagway City School District	728	88,648
Unalaska City School District	729	133,696
Valdez City School District	730	365,303
Wrangell Public School District	731	121,974
Yakutat School District	732	22,550
University of Alaska	733	2,335,414
Galena City School District	735	437,721
North Slope Borough School District	736	747,105
State of Alaska	737	1,058,755
Bristol Bay Borough School District	742	42,943
Southeast Regional Resource Center	743	14,574
Dillingham City School District	744	161,678
Kenai Peninsula Borough School District	746	3,269,010
Saint Mary's School District	748	74,000
Northwest Arctic Borough School District	751	601,189
Bering Strait School District	752	807,725
Lower Yukon School District	753	659,816
Lower Kuskokwim School District	754	1,436,740
Kuspuk School District	755	123,150
Southwest Region School District	756	222,307
Lake And Peninsula Borough School District	757	130,002
Aleutian Region School District	758	13,673
Pribilof School District	759	1,989
Iditarod Area School District	761	94,480

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Employer and Nonemployer Contributions (Unaudited)

For the year ended June 30, 2023

<u>Employer/nonemployer</u>	<u>Employer number</u>	<u>Actual contributions</u>
Yukon / Koyukuk School District	762	\$ 452,907
Yukon Flats School District	763	134,743
Denali Borough School District	764	181,774
Delta/Greely School District	765	260,283
Alaska Gateway School District	766	96,718
Copper River School District	767	93,348
Chatham School District	768	60,954
Southeast Island School District	769	106,697
Annette Island School District	770	121,795
Chugach School District	771	139,942
Tanana School District	775	1,937
Kashunamiut School District	777	64,446
Yupit School District	778	142,997
Special Education Service Agency	779	40,696
Aleutians East Borough School District	780	<u>81,050</u>
Total employer contributions		50,745,591
Nonemployer:		
State of Alaska	999	<u>90,412,123</u>
Total for all participating entities		<u>\$ 141,157,714</u>

See accompanying independent auditors' report.



**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Schedule of Employer and Nonemployer Allocations and  
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2023

(With Independent Auditors' Report Thereon)



**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

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KPMG LLP  
Suite 600  
701 West Eighth Avenue  
Anchorage, AK 99501

## Independent Auditor's Report

The Division of Retirement and Benefits and  
Members of the Alaska Retirement Management Board  
State of Alaska Teachers' Retirement System

### *Opinions*

We have audited the schedule of employer and nonemployer allocations of the State of Alaska Teachers' Retirement System Alaska Retiree Healthcare Trust (the Plan) as of and for the year ended June 30, 2023, and the related notes. We have also audited the total for all participating entities of the columns titled net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (benefit) (specified column totals) included in the accompanying schedule of OPEB amounts by employer and nonemployer of the Plan as of and for the year ended June 30, 2023, and the related notes.

In our opinion, the accompanying schedules referred to above present fairly, in all material respects, the employer and nonemployer allocations and net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (benefit) for the total of all participating entities for the Plan as of and for the year ended June 30, 2023, in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Schedules*

Management is responsible for the preparation and fair presentation of these schedules in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibilities for the Audit of the Schedules*

Our objectives are to obtain reasonable assurance about whether the schedule of employer and nonemployer allocations and specified column totals included in the schedule of OPEB amounts by employer and nonemployer are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule of employer and nonemployer allocations and specified column totals included in the schedule of OPEB amounts by employer and nonemployer.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule of employer and nonemployer allocations and specified column totals included in the schedule of OPEB amounts by employer and nonemployer, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts in the schedule of employer and nonemployer allocations and specified column totals included in the schedule of OPEB amounts by employer and nonemployer and the related disclosures.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule of employer and nonemployer allocations and specified column totals included in the schedule of OPEB amounts by employer and nonemployer.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Other Matter*

We have audited, in accordance with GAAS, the financial statements of the State of Alaska Teachers' Retirement System as of and for the year ended June 30, 2023, and our report thereon, dated October 12, 2023, expressed an unmodified opinion on those financial statements.

*Other Information*

The supplemental schedule of employer allocations of special funding amounts, supplemental schedule of special funding amounts by employer, and supplemental schedule of employer and nonemployer contributions have not been subject to the auditing procedures applied in the audit of the schedule of employer and nonemployer allocations and schedule of OPEB amounts by employer and nonemployer and accordingly, we do not express an opinion or provide any assurance on them.

*Restriction on Use*

Our report is intended solely for the information and use of the State of Alaska Teachers' Retirement System management, Alaska Management Retirement Board, State of Alaska Teachers' Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

*KPMG LLP*

Anchorage, Alaska  
December 21, 2023

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Schedule of Employer and Nonemployer Allocations

As of and for the year ended June 30, 2023

<u>Employer/nonemployer</u>	<u>Employer/ nonemployer number</u>	<u>Present value of projected future contributions</u>	<u>Allocation percentage</u>
Employer:			
Anchorage School District	701	\$ 78,250,000	14.11512 %
Cordova City School District	704	578,000	0.10426
Craig City School District	705	654,000	0.11797
Fairbanks North Star Borough School District	706	19,465,000	3.51119
Haines Borough School District	707	456,000	0.08226
Hoonah City School District	708	166,000	0.02994
Hydaburg City School District	709	295,000	0.05321
Juneau Borough School District	710	7,834,000	1.41314
Kake City School District	712	290,000	0.05231
Ketchikan Gateway Borough School District	714	4,640,000	0.83699
Klawock City School District	717	322,000	0.05808
Kodiak Island Borough School District	718	4,134,000	0.74571
Nenana City School District	719	801,000	0.14449
Nome City School District	720	1,101,000	0.19860
Matanuska-Susitna Borough School District	722	29,762,000	5.36862
Pelican City School District	723	34,000	0.00613
Petersburg City School District	724	934,000	0.16848
Sitka Borough School District	727	2,733,000	0.49299
Skagway City School District	728	311,000	0.56100
Unalaska City School District	729	693,000	0.12501
Valdez City School District	730	1,342,000	0.24208
Wrangell Public School District	731	473,000	0.08532
Yakutat School District	732	131,000	0.02363
University of Alaska	733	7,924,000	1.42937
Galena City School District	735	1,892,000	0.34129
North Slope Borough School District	736	4,051,000	0.73074
State of Alaska	737	3,629,000	0.65462
Bristol Bay Borough School District	742	311,000	0.05610
Southeast Regional Resource Center	743	203,000	0.03662
Dillingham City School District	744	758,000	0.13673
Kenai Peninsula Borough School District	746	14,036,000	2.53188
Saint Mary's School District	748	290,000	0.05231
Northwest Arctic Borough School District	751	3,267,000	0.58932
Bering Strait School District	752	5,093,000	0.91860
Lower Yukon School District	753	4,497,000	0.81119
Lower Kuskokwim School District	754	8,058,000	1.45354

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Schedule of Employer and Nonemployer Allocations

As of and for the year ended June 30, 2023

<u>Employer/nonemployer</u>	<u>Employer/ nonemployer number</u>	<u>Present value of projected future contributions</u>	<u>Allocation percentage</u>
Kuspuk School District	755	\$ 952,000	0.17173 %
Southwest Region School District	756	1,404,000	0.25326
Lake And Peninsula Borough School District	757	1,343,000	0.24226
Aleutian Region School District	758	58,000	0.01046
Pribilof School District	759	58,000	0.01046
Iditarod Area School District	761	451,000	0.08135
Yukon/Koyukuk School District	762	1,765,000	0.31838
Yukon Flats School District	763	521,000	0.09398
Denali Borough School District	764	747,000	0.13475
Delta/Greely School District	765	1,140,000	0.20564
Alaska Gateway School District	766	852,000	0.15369
Copper River School District	767	503,000	0.09073
Chatham School District	768	311,000	0.05610
Southeast Island School District	769	455,000	0.08208
Annette Island School District	770	741,000	0.13367
Chugach School District	771	486,000	0.08767
Tanana School District	775	81,000	0.01461
Kashunamiut School District	777	250,000	0.04510
Yupit School District	778	840,000	0.15152
Special Education Service Agency	779	332,000	0.05989
Aleutians East Borough School District	780	431,000	0.07775
Total present value of projected future employer contributions		223,129,000	40.75392
Nonemployer:			
State of Alaska	999	331,241,000	59.24608
Total of all participating entities		\$ 554,370,000	100.00000 %

See accompanying notes to schedule of employer and nonemployer allocations and schedule of OPEB amounts by employer and nonemployer.

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**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Schedule of OPEB Amounts by Employer and Nonemployer

As of and for the year ended June 30, 2023

Employer/nonemployer	Employer/ nonemployer number	Net OPEB asset	Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred outflows of resources
Employer:						
Anchorage School District	701	\$ 142,652,788	393,037	5,885,303	1,506,748	7,785,088
Cordova City School District	704	1,053,716	2,903	43,472	45,048	91,423
Craig City School District	705	1,192,267	3,285	49,188	52,278	104,751
Fairbanks North Star Borough School District	706	35,485,450	97,769	1,463,992	1,076,215	2,637,976
Haines Borough School District	707	831,306	2,290	34,296	6,530	43,116
Hoonah City School District	708	302,624	834	12,485	21,124	34,443
Hydaburg City School District	709	537,796	1,482	22,187	—	23,669
Juneau Borough School District	710	14,281,686	39,349	589,207	250,154	878,710
Keke City School District	712	528,681	1,457	21,811	530	23,798
Ketchikan Gateway Borough School District	714	8,458,900	23,306	348,981	77,494	449,781
Klawock City School District	717	587,018	1,617	24,218	13,984	39,819
Kodiak Island Borough School District	718	7,536,442	20,764	310,924	199,992	531,680
Nenana City School District	719	1,460,254	4,023	60,244	—	64,267
Nome City School District	720	2,007,166	5,530	82,808	66,059	154,397
Matanuska-Susitna Borough School District	722	54,257,280	149,489	2,238,445	1,028,894	3,416,828
Pelican City School District	723	61,983	171	2,557	984	3,712
Petersburg City School District	724	1,702,718	4,691	70,248	51,936	126,875
Sitka Borough School District	727	4,982,365	13,727	205,553	6,995	226,275
Skagway City School District	728	566,965	1,562	23,391	6,177	31,130
Unalaska City School District	729	1,263,366	3,481	52,122	—	55,603
Valdez City School District	730	2,446,518	6,741	100,934	57,692	165,367
Wrangell Public School District	731	862,297	2,376	35,575	33,283	71,234
Yakutat School District	732	238,818	658	9,853	23,161	33,672
University of Alaska	733	14,445,759	39,801	595,976	212,233	848,010
Galena City School District	735	3,449,189	9,503	142,300	62,993	214,796
North Slope Borough School District	736	7,385,130	20,347	304,682	168,073	493,102
State of Alaska	737	6,615,808	18,228	272,943	—	291,171
Bristol Bay Borough School District	742	566,965	1,562	23,391	3,455	28,408
Southeast Regional Resource Center	743	370,077	1,020	15,268	674	16,962
Dillingham City School District	744	1,381,863	3,807	57,010	71,738	132,555
Kenai Peninsula Borough School District	746	25,588,172	70,500	1,055,669	359,427	1,485,596
Saint Mary's School District	748	528,681	1,457	21,811	11,804	35,072
Northwest Arctic Borough School District	751	5,955,868	16,410	245,716	237,220	499,346
Bering Strait School District	752	9,284,736	25,581	383,052	11,245	419,878
Lower Yukon School District	753	8,198,205	22,588	338,226	—	360,814
Lower Kuskokwim School District	754	14,690,046	40,474	606,054	—	646,528
Kuspuk School District	755	1,735,533	4,782	71,601	—	76,383
Southwest Region School District	756	2,559,546	7,052	105,597	81,890	194,539
Lake And Peninsula Borough School District	757	2,448,341	6,746	101,009	16,678	124,433
Aleutian Region School District	758	105,736	291	4,362	18,420	23,073
Pribilof School District	759	105,736	291	4,362	22,820	27,473
Iditarod Area School District	761	822,190	2,265	33,920	—	36,185
Yukon/Koyukuk School District	762	3,217,663	8,865	132,748	—	141,613
Yukon Flats School District	763	949,803	2,617	39,185	5,353	47,155
Denali Borough School District	764	1,361,810	3,752	56,183	35,388	95,323
Delta/Greely School District	765	2,078,264	5,726	85,741	6,701	98,168
Alaska Gateway School District	766	1,553,229	4,279	64,080	45,838	114,197
Copper River School District	767	916,988	2,526	37,831	18,568	58,925
Chatham School District	768	566,965	1,562	23,391	—	24,953
Southeast Island School District	769	829,483	2,285	34,221	1,301	37,807
Annette Island School District	770	1,350,872	3,722	55,732	50,210	109,664
Chugach School District	771	885,997	2,441	36,553	33,731	72,725
Tanana School District	775	147,666	407	6,092	—	6,499
Kashunamiut School District	777	455,760	1,256	18,803	35,663	55,722
Yupit School District	778	1,531,353	4,219	63,178	—	67,397
Special Education Service Agency	779	605,249	1,668	24,970	19,975	46,613
Aleutians East Borough School District	780	785,730	2,165	32,416	69,385	103,966
Total attributable to employer contributions		406,772,817	1,120,737	16,781,867	6,126,061	24,028,665
Nonemployer:						
State of Alaska	999	603,865,183	1,663,763	24,913,133	—	26,576,896
Total of all participating entities		\$ 1,010,638,000	2,784,500	41,695,000	6,126,061	50,605,561

See accompanying notes to schedule of employer and nonemployer allocations and schedule of OPEB amounts by employer and nonemployer.

Deferred inflows of resources			OPEB expense (benefit)		
Change in assumptions	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense (benefit)	Net amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions	
				Proportionate share of	Total OPEB expense (benefit)
2,255,855	—	2,255,855	(19,764,040)	15,738,863	(4,025,177)
16,663	—	16,663	(145,989)	258,690	112,701
18,854	—	18,854	(165,184)	328,724	163,540
561,153	—	561,153	(4,916,384)	7,710,643	2,794,259
13,146	—	13,146	(115,174)	69,723	(45,451)
4,786	—	4,786	(41,928)	124,233	82,305
8,505	14,021	22,526	(74,510)	(41,094)	(115,604)
225,845	—	225,845	(1,978,677)	2,247,678	269,001
8,360	—	8,360	(73,247)	15,037	(58,210)
133,766	—	133,766	(1,171,951)	850,118	(321,833)
9,283	—	9,283	(81,329)	123,754	42,425
119,178	—	119,178	(1,044,147)	1,315,706	271,559
23,092	1,233	24,325	(202,313)	29,994	(172,319)
31,741	—	31,741	(278,086)	429,969	151,883
858,003	—	858,003	(7,517,155)	7,464,807	(52,348)
980	—	980	(8,588)	7,075	(1,513)
26,926	—	26,926	(235,906)	319,867	83,961
78,789	—	78,789	(690,289)	306,564	(383,725)
8,966	—	8,966	(78,551)	56,681	(21,870)
19,978	8,036	28,014	(175,035)	40,573	(134,462)
38,688	—	38,688	(338,956)	449,268	110,312
13,636	—	13,636	(119,468)	226,073	106,605
3,777	—	3,777	(33,087)	106,291	73,204
228,440	—	228,440	(2,001,409)	1,876,598	(124,811)
54,544	—	54,544	(477,873)	382,968	(94,905)
116,786	—	116,786	(1,023,184)	1,360,812	337,628
104,620	9,613	114,233	(916,597)	(30,472)	(947,069)
8,966	—	8,966	(78,551)	24,665	(53,886)
5,852	—	5,852	(51,273)	16,487	(34,786)
21,852	—	21,852	(191,452)	452,062	260,610
404,641	—	404,641	(3,545,151)	3,225,388	(319,763)
8,360	—	8,360	(73,247)	140,692	67,445
94,184	—	94,184	(825,164)	1,637,628	812,464
146,825	—	146,825	(1,286,367)	447,719	(838,648)
129,643	71,319	200,962	(1,135,832)	(247,919)	(1,383,751)
232,303	113,956	346,259	(2,035,254)	380,491	(1,654,763)
27,445	45,426	72,871	(240,452)	(51,945)	(292,397)
40,476	—	40,476	(354,616)	495,404	140,788
38,717	—	38,717	(339,209)	148,776	(190,433)
1,672	—	1,672	(14,649)	93,412	78,763
13,002	12,210	25,212	(113,912)	22,043	(91,869)
50,883	18,702	69,585	(445,796)	16,698	(429,098)
15,020	—	15,020	(131,592)	79,961	(51,631)
21,535	—	21,535	(188,674)	266,157	77,483
32,865	—	32,865	(287,936)	182,184	(105,752)
24,562	—	24,562	(215,194)	240,332	25,138
14,501	—	14,501	(127,046)	131,796	4,750
8,966	15,687	24,653	(78,551)	(18,001)	(96,552)
13,117	—	13,117	(114,922)	114,558	(364)
21,362	—	21,362	(187,159)	264,629	77,470
14,011	—	14,011	(122,752)	209,742	86,990
2,335	2,646	4,981	(20,459)	(2,304)	(22,763)
7,207	—	7,207	(63,144)	189,832	126,688
24,216	12,234	36,450	(212,163)	110,505	(101,658)
9,571	—	9,571	(83,855)	118,925	35,070
12,425	—	12,425	(108,860)	347,709	238,849
6,432,546	325,083	6,757,629	(56,356,938)	50,925,826	(5,431,112)
9,549,287	5,800,978	15,350,265	(83,663,391)	(50,925,826)	(134,589,217)
15,981,833	6,126,061	22,107,894	(140,020,329)	—	(140,020,329)



**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
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Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2022

**(1) Plan Description**

The State of Alaska Teachers' Retirement System (the System) Alaska Retiree Healthcare Trust (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan that provides health benefits for teachers and other eligible members.

The Plan is established under Alaska Statute 14.25, which defines the benefit and contribution provisions, and may be amended only by the State of Alaska (State) legislature. The Plan, a healthcare trust fund of the State, provides major medical coverage to retirees of the System's Defined Benefit Pension Plan (DB Plan). The Plan is self-funded and self-insured. The 24<sup>th</sup> Alaska State Legislature enacted into law Senate Bill 141, which closed the Plan to new members effective July 1, 2006.

There are two tiers within the Plan:

- Employees hired between July 1, 1955 and June 30, 1990
- Employees hired between July 1, 1990 and June 30, 2006

When pension benefits begin, major medical benefits are provided without cost to (1) all members first hired before July 1, 1990; (2) members hired after July 1, 1990, with 25 years of membership service; and (3) members who are disabled or age 60 or older, regardless of their initial hire dates. Members first hired after June 30, 1990, may receive major medical benefits prior to age 60 by paying premiums.

**(2) Basis of Presentation**

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of the Plan, its participating employers, or the State as a nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the Plan, its participating employers, or the State. The amounts presented in the Schedules are prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**(3) Allocation Methodology**

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB asset, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense (benefit). The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of OPEB amounts by employer and nonemployer are based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for the fiscal years 2024 to 2039. Employer and nonemployer allocation percentages have been rounded for presentation purposes;

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Notes to Schedule of Employer and Nonemployer Allocations and  
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June 30, 2022

therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

**(4) Contributions**

Employer contributions are actuarially determined and adopted by the Alaska Retirement Management Board (Board). Employer contributions were 0.00% of annual payroll for the year ended June 30, 2023.

Alaska Statute 14.25.085 requires the State, as a nonemployer contributing entity, to contribute each July 1, or as soon after July 1 for the ensuing fiscal year, an amount that when combined with the total employer contributions is sufficient to pay the Plan's past service liability at the actuarially determined contribution rate adopted by the Board for that fiscal year.

**(5) Collective Net OPEB Asset**

**(a) Components of the Collective Net OPEB Asset**

The components of the collective net OPEB asset of the Plan as of June 30, 2023 are as follows:

Total OPEB liability	\$	2,495,957,000
Plan fiduciary net position		<u>(3,506,595,000)</u>
Net OPEB asset	\$	<u><u>(1,010,638,000)</u></u>

The collective total OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to the measurement date of June 30, 2023. The actuarial valuation used the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	Range from 7.00% to 2.85% based on service.
Investment rate of return	7.25%, net of investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Trend rates	Pre-65 medical: 6.7% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription/Employer Group Waiver Plans (EGWP): 7.2% grading down to 4.5% Initial trend rates are for FY 2024 Ultimate trend rates reached in FY 2050

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
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Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2022

Mortality

Pre-commencement mortality rates were based on the Pub-2010 Teachers Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 15% of the time.

Post-commencement mortality rates for healthy retirees were based on 98% of male and 100% of female rates of the Pub-2010 Teachers Retiree table, headcount-weighted, and projected with MP-2021 generational improvement.

Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement.

Post-commencement mortality rates for beneficiaries were based on 100% of male and 94% of female rates of the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
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Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2022

**(b) Long-Term Expected Rate of Return**

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation are summarized in the following table (note that the rates shown below exclude an inflation component of 2.50%):

<u>Asset class</u>	<u>Target asset allocation</u>	<u>Long-term expected real rate of return</u>
Broad domestic equity	27.00%	6.17%
Global equity (non-U.S.)	22.00	6.55
Aggregate bonds	23.00	1.63
Real assets	14.00	4.87
Private equity	14.00	11.57
Cash equivalents	—	0.49

**(c) Discount Rate**

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer and nonemployer contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
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Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2022

**(d) Sensitivity of the Collective Net OPEB Asset to Changes in the Discount Rate**

The following presents the collective net OPEB asset as of June 30, 2023, calculated using the discount rate of 7.25%, as well as what the Plan's collective net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

<b>1% decrease (6.25%)</b>	<b>Current discount rate (7.25%)</b>	<b>1% increase (8.25%)</b>
\$ 714,741,000	1,010,638,000	1,257,868,000

**(e) Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates**

The following presents the collective net OPEB asset as of June 30, 2023, calculated using the healthcare cost trend rates as disclosed above, as well as what the Plan's collective net OPEB asset would be if it were calculated using trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

<b>1% decrease</b>	<b>Current healthcare cost trend rate</b>	<b>1% increase</b>
\$ 1,258,216,000	1,010,638,000	681,705,000

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
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Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2022

**(6) Collective Deferred Outflows of Resources and Deferred Inflows of Resources**

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ending June 30, 2023:

	<u>Year of deferral</u>	<u>Amortization period</u>	<u>Beginning of year balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of year balance</u>
<b>Deferred outflows of resources:</b>						
Difference between expected and actual experience	2023	1.2 years	—	16,707,000	13,922,500	2,784,500
Difference between projected and actual earnings on OPEB plan investments	2019	5 years	7,727,000	—	7,727,000	—
	2020	5 years	\$ 37,050,000	—	18,525,000	18,525,000
	2021	5 years	(392,938,200)	—	(130,979,400)	(261,958,800)
	2022	5 years	393,520,000	—	98,380,000	295,140,000
	2023	5 years	—	(12,514,000)	(2,502,800)	(10,011,200)
			<u>45,358,800</u>	<u>(12,514,000)</u>	<u>(8,850,200)</u>	<u>41,695,000</u>
Total deferred outflows of resources			<u>\$ 45,358,800</u>	<u>4,193,000</u>	<u>5,072,300</u>	<u>44,479,500</u>
<b>Deferred inflows of resources:</b>						
Difference between expected and actual experience	2022	1.3 years	3,105,462	—	3,105,462	—
Change in assumptions	2022	1.3 years	\$ 19,866,000	—	19,866,000	—
	2023	1.2 years	—	95,891,000	79,909,167	15,981,833
Total deferred inflows of resources			<u>\$ 19,866,000</u>	<u>95,891,000</u>	<u>99,775,167</u>	<u>15,981,833</u>

The previous amounts do not include employer and nonemployer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer and nonemployer over the average of the expected remaining service lives of all plan members, which is 1.2 years and 1.3 years for the 2023 and 2022 amounts, respectively.

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Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2022

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2024	\$ (29,774,533)
2025	(35,102,200)
2026	95,877,200
2027	<u>(2,502,800)</u>
Total	<u>\$ 28,497,667</u>

**(7) Collective OPEB Expense (Benefit)**

The components of the collective OPEB expense (benefit) (excluding employer specific amounts) for the year ending June 30, 2023 are as follows:

Service cost	\$ 18,258,000
Interest on total OPEB liability	178,811,000
Administrative expense	1,867,000
Expected investment return net of investment expenses	(240,975,000)
Other	(173,000)
Recognition (amortization) of deferred outflows/inflows of resources:	
Difference between expected and actual experience	(8,850,200)
Change in assumptions	(99,775,167)
Difference between projected and actual investment earnings on OPEB plan investments	<u>10,817,038</u>
Total OPEB expense benefit	<u>\$ (140,020,329)</u>

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
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Supplemental Schedule of Employer Allocations of Special Funding Amounts (Unaudited)

As of and for the year ended June 30, 2023

<b>Employer</b>	<b>Employer number</b>	<b>Present value of projected future State contributions</b>	<b>Employer proportionate share</b>
Anchorage School District	701	\$ 118,077,000	35.64689 %
Cordova City School District	704	873,000	0.26355
Craig City School District	705	987,000	0.29797
Fairbanks North Star Borough School District	706	29,376,000	8.86847
Haines Borough School District	707	690,000	0.20831
Hoonah City School District	708	252,000	0.07608
Hydaburg City School District	709	444,000	0.13404
Juneau Borough School District	710	11,821,000	3.56870
Kake City School District	712	437,000	0.13193
Ketchikan Gateway Borough School District	714	7,006,000	2.11508
Klawock City School District	717	488,000	0.14732
Kodiak Island Borough School District	718	6,239,000	1.88352
Nenana City School District	719	1,205,000	0.36378
Nome City School District	720	1,659,000	0.50084
Matanuska-Susitna Borough School District	722	44,911,000	13.55841
PELICAN CITY School District	723	50,000	0.01509
Petersburg City School District	724	1,411,000	0.42597
Sitka Borough School District	727	4,120,000	1.24381
Skagway City School District	728	468,000	0.14129
Unalaska City School District	729	1,047,000	0.31608
Valdez City School District	730	2,028,000	0.61224
Wrangell Public School District	731	716,000	0.21616
Yakutat School District	732	196,000	0.05917
University of Alaska	733	11,953,000	3.60855
Galena City School District	735	2,855,000	0.86191
North Slope Borough School District	736	6,117,000	1.84669
Bristol Bay Borough School District	742	469,000	0.14159
Southeast Regional Resource Center	743	308,000	0.09298
Dillingham City School District	744	1,149,000	0.34688
Kenai Peninsula Borough School District	746	21,183,000	6.39504
Saint Mary's School District	748	438,000	0.13223
Northwest Arctic Borough School District	751	4,931,000	1.48864
Bering Strait School District	752	7,682,000	2.31916
Lower Yukon School District	753	6,787,000	2.04896
Lower Kuskokwim School District	754	12,161,000	3.67135
Kuspuk School District	755	1,438,000	0.43413
Southwest Region School District	756	2,117,000	0.63911
Lake And Peninsula Borough School District	757	2,028,000	0.61224
Aleutian Region School District	758	87,000	0.02626



**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Supplemental Schedule of Employer Allocations of Special Funding Amounts (Unaudited)

As of and for the year ended June 30, 2023

Employer	Employer number	Present value of projected future State contributions	Employer proportionate share
Pribilof School District	759	\$ 87,000	0.02626 %
Iditarod Area School District	761	682,000	0.20589
Yukon/Koyukuk School District	762	2,667,000	0.80515
Yukon Flats School District	763	787,000	0.23759
Denali Borough School District	764	1,124,000	0.33933
Delta/Greely School District	765	1,719,000	0.51896
Alaska Gateway School District	766	1,286,000	0.38824
Copper River School District	767	758,000	0.22884
Chatham School District	768	474,000	0.14310
Southeast Island School District	769	683,000	0.20619
Annette Island School District	770	1,116,000	0.33691
Chugach School District	771	732,000	0.22099
Tanana School District	775	125,000	0.03774
Kashunamiut School District	777	377,000	0.11381
Yupit School District	778	1,269,000	0.38310
Special Education Service Agency	779	502,000	0.15155
Aleutians East Borough School District	780	649,000	0.19593
Total for all participating employers		\$ <u>331,241,000</u>	<u>100.00000 %</u>

See accompanying independent auditors' report.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
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Supplemental Schedule of Special Funding Amounts by Employer (Unaudited)

As of and for the year ended June 30, 2023

<b>Employer</b>	<b>Employer number</b>	<b>State proportionate share of net OPEB asset attributable to employer</b>	<b>Employer OPEB benefit and related revenue attributable to special funding situation</b>
Anchorage School District	701	\$ 215,258,947	(29,823,369)
Cordova City School District	704	1,591,513	(220,498)
Craig City School District	705	1,799,339	(249,292)
Fairbanks North Star Borough School District	706	53,553,587	(7,419,660)
Haines Borough School District	707	1,257,897	(174,277)
Hoonah City School District	708	459,406	(63,649)
Hydaburg City School District	709	809,429	(112,144)
Juneau Borough School District	710	21,550,141	(2,985,696)
Kake City School District	712	796,668	(110,376)
Ketchikan Gateway Borough School District	714	12,772,210	(1,769,545)
Klawock City School District	717	889,643	(123,257)
Kodiak Island Borough School District	718	11,373,939	(1,575,819)
Nenana City School District	719	2,196,762	(304,354)
Nome City School District	720	3,024,421	(419,023)
Matanuska-Susitna Borough School District	722	81,874,494	(11,343,422)
Pelican City School District	723	91,152	(12,629)
Petersburg City School District	724	2,572,308	(356,384)
Sitka Borough School District	727	7,510,920	(1,040,611)
Skagway City School District	728	853,182	(118,205)
Unalaska City School District	729	1,908,722	(264,447)
Valdez City School District	730	3,697,123	(512,223)
Wrangell Public School District	731	1,305,296	(180,844)
Yakutat School District	732	357,316	(49,505)
University of Alaska	733	21,790,782	(3,019,036)
Galena City School District	735	5,204,776	(721,103)
North Slope Borough School District	736	11,151,528	(1,545,005)
Bristol Bay Borough School District	742	855,005	(118,458)
Southeast Regional Resource Center	743	561,496	(77,793)
Dillingham City School District	744	2,094,672	(290,209)
Kenai Peninsula Borough School District	746	38,617,430	(5,350,309)
Saint Mary's School District	748	798,491	(110,628)
Northwest Arctic Borough School District	751	8,989,404	(1,245,450)
Bering Strait School District	752	14,004,584	(1,940,286)

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Supplemental Schedule of Special Funding Amounts by Employer (Unaudited)

As of and for the year ended June 30, 2023

Employer	Employer number	State proportionate share of net OPEB asset attributable to employer	Employer OPEB benefit and related revenue attributable to special funding situation
Lower Yukon School District	753	\$ 12,372,964	(1,714,231)
Lower Kuskokwim School District	754	22,169,974	(3,071,572)
Kuspuk School District	755	2,621,530	(363,204)
Southwest Region School District	756	3,859,373	(534,703)
Lake And Peninsula Borough School District	757	3,697,123	(512,223)
Aleutian Region School District	758	158,604	(21,974)
Pribilof School District	759	158,604	(21,974)
Iditarod Area School District	761	1,243,312	(172,257)
Yukon/Koyukuk School District	762	4,862,044	(673,619)
Yukon Flats School District	763	1,434,732	(198,777)
Denali Borough School District	764	2,049,096	(283,895)
Delta/Greely School District	765	3,133,804	(434,177)
Alaska Gateway School District	766	2,344,428	(324,812)
Copper River School District	767	1,381,863	(191,452)
Chatham School District	768	864,120	(119,721)
Southeast Island School District	769	1,245,135	(172,509)
Annette Island School District	770	2,034,511	(281,874)
Chugach School District	771	1,334,464	(184,885)
Tanana School District	775	227,880	(31,572)
Kashunamiut School District	777	687,286	(95,221)
Yupit School District	778	2,313,436	(320,518)
Special Education Service Agency	779	915,165	(126,793)
Aleutians East Borough School District	780	1,183,152	(163,922)
Total for all participating employers		\$ <u>603,865,183</u>	<u>(83,663,391)</u>

See accompanying independent auditors' report.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Supplemental Schedule of Employer and Nonemployer Contributions (Unaudited)

For the year ended June 30, 2023

Employer/nonemployer	Employer number	Employer contributions		
		Actual	Retiree Drug Subsidy	Total
Employer:				
Anchorage SD	701	\$ 542	811	1,353
Cordova City SD	704	—	—	—
Craig City SD	705	—	—	—
Fairbanks North Star Borough SD	706	1,981	2,967	4,948
Haines Borough SD	707	—	—	—
Hoonah City SD	708	—	—	—
Hydaburg City SD	709	—	—	—
Juneau Borough SD	710	1,052	1,575	2,627
Kake City SD	712	—	—	—
Ketchikan Gateway Borough SD	714	(20)	(29)	(49)
Klawock City SD	717	914	1,370	2,284
Kodiak Island Borough SD	718	29	44	73
Nenana City SD	719	(62)	(93)	(155)
Nome City SD	720	344	515	859
Matanuska-Susitna Borough SD	722	14,497	21,716	36,213
Pelican City SD	723	—	—	—
Petersburg City SD	724	—	—	—
Sitka Borough SD	727	—	—	—
Skagway City SD	728	117	175	292
Unalaska City SD	729	—	—	—
Valdez City SD	730	—	—	—
Wrangell Public SD	731	—	—	—
Yakutat SD	732	—	—	—
University of Alaska	733	(11,122)	(16,661)	(27,783)
Galena City SD	735	616	922	1,538
North Slope Borough SD	736	2,231	3,342	5,573
State of Alaska	737	300	449	749
Bristol Bay Borough SD	742	845	1,266	2,111
Southeast Regional Resource Center	743	—	—	—
Dillingham City SD	744	—	—	—
Kenai Peninsula Borough SD	746	1,051	1,575	2,626
Saint Mary's SD	748	—	—	—
Northwest Arctic Borough SD	751	(3,197)	(4,789)	(7,986)
Bering Strait SD	752	234	351	585
Lower Yukon SD	753	153	229	382
Lower Kuskokwim SD	754	62,530	93,669	156,199
Kuspuk SD	755	416	623	1,039
Southwest Region SD	756	6,568	9,839	16,407
Lake and Peninsula Borough SD	757	1,209	1,811	3,020
Aleutian Region SD	758	—	—	—
Pribilof SD	759	—	—	—
Iditarod Area SD	761	(44)	(66)	(110)
Yukon / Koyukuk SD	762	—	—	—
Yukon Flats SD	763	1,728	2,588	4,316
Denali Borough SD	764	—	—	—
Delta/greely SD	765	—	—	—
Alaska Gateway SD	766	142	213	355
Copper River SD	767	(15)	(23)	(38)
Chatham SD	768	1,102	1,651	2,753
Southeast Island SD	769	—	—	—
Annette Island SD	770	—	—	—

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
ALASKA RETIREE HEALTHCARE TRUST**

Supplemental Schedule of Employer and Nonemployer Contributions (Unaudited)

For the year ended June 30, 2023

Employer/nonemployer	Employer number	Employer contributions		
		Actual	Retiree Drug Subsidy	Total
Chugach SD	771	\$ 8,854	13,264	22,118
Tanana SD	775	—	—	—
Kashunamiut SD	777	(1,028)	(1,540)	(2,568)
Yupiiit SD	778	158	236	394
Special Education Service Agency	779	—	—	—
Aleutians East Borough SD	780	—	—	—
Total employer contributions		92,125	138,000	230,125
Nonemployer:				
State of Alaska	999	—	—	—
Total of all participating entities		\$ 92,125	138,000	230,125

See accompanying independent auditors' report.



**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

(With Independent Auditors' Report Thereon)

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

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KPMG LLP  
Suite 600  
701 West Eighth Avenue  
Anchorage, AK 99501

## Independent Auditors' Report

The Division of Retirement and Benefits and  
Members of the Alaska Retirement Management Board  
State of Alaska Teachers' Retirement System

### *Opinions*

We have audited the schedule of employer allocations of the State of Alaska Teachers' Retirement System Occupational Death & Disability Plan (the Plan) as of and for the year ended June 30, 2023, and the related notes. We have also audited the total for all participating entities of the columns titled net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (benefit) (specified column totals) included in the accompanying schedule of OPEB amounts by employer of the Plan as of and for the year ended June 30, 2023, and the related notes.

In our opinion, the accompanying schedules referred to above present fairly, in all material respects, the employer allocations and net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (benefit) for the total of all participating entities for the Plan as of and for the year ended June 30, 2023, in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Schedules*

Management is responsible for the preparation and fair presentation of these schedules in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibilities for the Audit of the Schedules*

Our objectives are to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer.





In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts in the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer and the related disclosures.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Other Matter*

We have audited, in accordance with GAAS, the financial statements of the Teachers' Retirement System as of and for the year ended June 30, 2023, and our report thereon, dated October 12, 2023, expressed an unmodified opinion on those financial statements.

*Restriction on Use*

Our report is intended solely for the information and use of the Teachers' Retirement System management, Alaska Management Retirement Board, Teachers' Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

*KPMG LLP*

Anchorage, Alaska  
December 21, 2023

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2023

Employer	Employer number	Employer contributions	Allocation percentage
Anchorage School District	701	\$ 130,060	31.64011 %
Cordova City School District	704	1,095	0.26628
Craig City School District	705	1,473	0.35829
Fairbanks North Star Borough School District	706	34,194	8.31860
Haines Borough School District	707	1,065	0.25908
Hoonah City School District	708	508	0.12360
Hydaburg City School District	709	93	0.02252
Juneau Borough School District	710	12,751	3.10194
Kake City School District	712	752	0.18293
Ketchikan Gateway Borough School District	714	8,812	2.14381
Klawock City School District	717	441	0.10724
Kodiak Island Borough School District	718	10,366	2.52166
Nenana City School District	719	1,140	0.27734
Nome City School District	720	2,574	0.62629
Matanuska-Susitna Borough School District	722	52,062	12.66522
Pelican City School District	723	95	0.02315
Petersburg City School District	724	1,714	0.41685
Sitka Borough School District	727	4,110	0.99980
Skagway City School District	728	605	0.14729
Unalaska City School District	729	1,803	0.43850
Valdez City School District	730	2,322	0.56482
Wrangell Public School District	731	845	0.20550
Yakutat School District	732	379	0.09220
University of Alaska	733	12,698	3.08915
Galena City School District	735	4,287	1.04300
North Slope Borough School District	736	9,255	2.25138
State of Alaska	737	2,374	0.57801
Bristol Bay Borough School District	742	549	0.13354
Southeast Regional Resource Center	743	349	0.08493
Dillingham City School District	744	2,576	0.62662
Kenai Peninsula Borough School District	746	25,340	6.16456
Saint Mary's School District	748	828	0.20142
Northwest Arctic Borough School District	751	10,511	2.55709
Bering Strait School District	752	13,135	3.19530
Lower Yukon School District	753	9,083	2.20966
Lower Kuskokwim School District	754	15,997	3.89165
Kuspuk School District	755	2,598	0.63196
Southwest Region School District	756	3,836	0.93317
Lake And Peninsula Borough School District	757	2,216	0.53905
Aleutian Region School District	758	365	0.08883
Pribilof School District	759	307	0.07463
Iditarod Area School District	761	1,320	0.32116
Yukon / Koyukuk School District	762	4,396	1.06951
Yukon Flats School District	763	2,516	0.61217
Denali Borough School District	764	1,215	0.29556
Delta/Greely School District	765	1,722	0.41897
Alaska Gateway School District	766	2,051	0.49894
Copper River School District	767	1,253	0.30483
Chatham School District	768	996	0.24241
Southeast Island School District	769	1,050	0.25537
Annette Island School District	770	2,377	0.57831
Chugach School District	771	557	0.13545
Tanana School District	775	125	0.03029
Kashunamiut School District	777	1,171	0.28479
Yupitit School District	778	2,375	0.57788
Special Education Service Agency	779	927	0.22558
Aleutians East Borough School District	780	1,446	0.35181
Total contributions		\$ 411,060	100.00000 %

See accompanying notes to schedule of employer allocations and schedule of OPEB amounts by employer.

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**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2023

Employer	Employer number	Net OPEB asset	Deferred outflows of resources		
			Difference between projected and actual investment earnings on OPEB plan investments	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred outflows of resources
Anchorage School District	701	\$ 2,189,179	38,285	18,681	56,966
Cordova City School District	704	18,424	322	1,048	1,370
Craig City School District	705	24,790	434	596	1,030
Fairbanks North Star Borough School District	706	575,564	10,066	31,331	41,397
Haines Borough School District	707	17,926	313	3,532	3,845
Hoonah City School District	708	8,552	150	4,447	4,597
Hydaburg City School District	709	1,558	27	8,146	8,173
Juneau Borough School District	710	214,623	3,753	9,559	13,312
Kake City School District	712	12,657	221	898	1,119
Ketchikan Gateway Borough School District	714	148,331	2,594	585	3,179
Klawock City School District	717	7,420	130	1,471	1,601
Kodiak Island Borough School District	718	174,474	3,051	8,382	11,433
Nenana City School District	719	19,189	336	2,224	2,560
Nome City School District	720	43,333	758	5,052	5,810
Matanuska-Susitna Borough School District	722	876,307	15,325	5,092	20,417
Pelican City School District	723	1,602	28	122	150
Petersburg City School District	724	28,842	504	907	1,411
Sitka Borough School District	727	69,176	1,210	1,819	3,029
Skagway City School District	728	10,191	178	1,444	1,622
Unalaska City School District	729	30,340	531	1,778	2,309
Valdez City School District	730	39,080	683	2,142	2,825
Wrangell Public School District	731	14,218	249	2,516	2,765
Yakutat School District	732	6,379	112	1,129	1,241
University of Alaska	733	213,738	3,738	3,578	7,316
Galena City School District	735	72,165	1,262	546	1,808
North Slope Borough School District	736	155,773	2,724	47,803	50,527
State of Alaska	737	39,991	696	778	1,474
Bristol Bay Borough School District	742	9,239	162	2,471	2,633
Southeast Regional Resource Center	743	5,877	103	2,343	2,446
Dillingham City School District	744	43,356	758	3,629	4,387
Kenai Peninsula Borough School District	746	426,526	7,459	13,375	20,834
Saint Mary's School District	748	13,936	244	1,692	1,936
Northwest Arctic Borough School District	751	176,925	3,094	24,302	27,396
Bering Strait School District	752	221,083	3,866	15,199	19,065
Lower Yukon School District	753	152,887	2,674	19,251	21,925
Lower Kuskokwim School District	754	269,263	4,709	42,381	47,090
Kuspuk School District	755	43,725	765	10,579	11,344
Southwest Region School District	756	64,566	1,129	6,982	8,111
Lake And Peninsula Borough School District	757	37,297	652	19,656	20,308
Aleutian Region School District	758	6,146	107	753	860
Pribilof School District	759	5,164	90	1,411	1,501
Iditarod Area School District	761	22,221	389	3,479	3,868
Yukon / Koyukuk School District	762	73,999	1,294	5,247	6,541
Yukon Flats School District	763	42,356	741	3,749	4,490
Denali Borough School District	764	20,450	358	1,747	2,105
Delta/Greely School District	765	28,989	507	2,665	3,172
Alaska Gateway School District	766	34,522	604	7,321	7,925
Copper River School District	767	21,091	369	2,255	2,624
Chatham School District	768	16,772	293	2,091	2,384
Southeast Island School District	769	17,669	309	4,131	4,440
Annette Island School District	770	40,014	700	2,221	2,921
Chugach School District	771	9,372	164	1,667	1,831
Tanana School District	775	2,096	37	2,142	2,179
Kashunamiut School District	777	19,704	345	4,938	5,283
Yupit School District	778	39,983	699	13,565	14,264
Special Education Service Agency	779	15,608	273	750	1,023
Aleutians East Borough School District	780	24,342	426	2,335	2,761
Total of all participating entities		\$ 6,919,000	121,000	389,933	510,933

See accompanying notes to schedule of employer allocations and schedule of OPEB amounts by employer.

Deferred inflows of resources				OPEB expense (benefit)		
Difference between expected and actual experience	Change of assumptions	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense (benefit)	Net	
					amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions	Total OPEB expense (benefit)
350,635	4,329	38,438	393,402	(86,862)	(3,139)	(90,001)
2,951	36	3,254	6,241	(731)	(350)	(1,081)
3,971	49	3,942	7,962	(984)	(446)	(1,430)
92,187	1,138	12,579	105,904	(22,837)	2,008	(20,829)
2,871	35	1,683	4,589	(711)	379	(332)
1,370	17	2,227	3,614	(339)	219	(120)
250	3	2,828	3,081	(62)	726	664
34,376	424	8,190	42,990	(8,516)	275	(8,241)
2,027	25	988	3,040	(502)	31	(471)
23,758	293	14,093	38,144	(5,885)	(2,287)	(8,172)
1,188	15	1,978	3,181	(294)	(22)	(316)
27,945	345	17,065	45,355	(6,923)	(790)	(7,713)
3,073	38	1,972	5,083	(761)	(19)	(780)
6,941	86	3,734	10,761	(1,719)	330	(1,389)
140,356	1,733	62,465	204,554	(34,770)	(9,360)	(44,130)
257	3	238	498	(64)	(23)	(87)
4,620	57	4,762	9,439	(1,144)	(615)	(1,759)
11,080	137	596	11,813	(2,745)	216	(2,529)
1,632	20	1,134	2,786	(404)	(33)	(437)
4,859	60	3,296	8,215	(1,204)	(189)	(1,393)
6,259	77	7,269	13,605	(1,551)	(995)	(2,546)
2,277	28	748	3,053	(564)	266	(298)
1,022	13	1,691	2,726	(253)	(162)	(415)
34,234	423	34,357	69,014	(8,481)	(4,501)	(12,982)
11,558	143	10,140	21,841	(2,863)	(1,803)	(4,666)
24,950	308	8,337	33,595	(6,181)	5,586	(595)
6,407	80	6,118	12,605	(1,588)	(808)	(2,396)
1,480	18	1,815	3,313	(367)	112	(255)
941	12	753	1,706	(233)	254	21
6,944	86	1,599	8,629	(1,720)	376	(1,344)
68,316	843	4,020	73,179	(16,924)	1,591	(15,333)
2,232	28	1,676	3,936	(553)	(47)	(600)
28,338	350	4,318	33,006	(7,020)	3,105	(3,915)
35,410	437	5,671	41,518	(8,772)	1,978	(6,794)
24,487	302	12,820	37,609	(6,066)	1,857	(4,209)
43,127	532	14,657	58,316	(10,684)	4,417	(6,267)
7,003	86	12,116	19,205	(1,735)	(367)	(2,102)
10,341	128	1,700	12,169	(2,562)	711	(1,851)
5,974	74	8,311	14,359	(1,480)	1,740	260
984	12	879	1,875	(244)	3	(241)
827	10	129	966	(205)	263	58
3,559	44	3,686	7,289	(882)	(137)	(1,019)
11,852	146	10,961	22,959	(2,936)	(870)	(3,806)
6,784	84	13,005	19,873	(1,681)	(1,096)	(2,777)
3,275	40	1,014	4,329	(811)	58	(753)
4,643	57	80	4,780	(1,150)	451	(699)
5,529	68	6,139	11,736	(1,370)	(161)	(1,531)
3,378	42	1,964	5,384	(837)	(109)	(946)
2,686	33	2,634	5,353	(665)	(76)	(741)
2,830	35	982	3,847	(701)	513	(188)
6,409	79	4,931	11,419	(1,588)	(451)	(2,039)
1,501	19	2,275	3,795	(372)	(111)	(483)
336	4	468	808	(83)	259	176
3,156	39	3,474	6,669	(782)	452	(330)
6,404	79	11,049	17,532	(1,586)	753	(833)
2,500	31	2,011	4,542	(619)	(233)	(852)
3,899	48	674	4,621	(966)	271	(695)
<u>1,108,199</u>	<u>13,681</u>	<u>389,933</u>	<u>1,511,813</u>	<u>(274,532)</u>	<u>—</u>	<u>(274,532)</u>

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(1) Plan Description**

The State of Alaska Teachers' Retirement System (System) Occupational Death and Disability Plan (Plan) is a cost-sharing, multiple-employer defined benefit other postemployment benefits (OPEB) plan that provides OPEB benefits for teachers and other eligible members.

The Plan is established under Alaska Statute 14.35 which defines benefit and contribution provisions and may be amended only by the State of Alaska (State) legislature. The Plan provides death benefits for beneficiaries of Plan participants and long-term disability benefits to all active members within the System.

**(a) Death Benefits**

If (1) the death of an employee occurs before the employee's retirement and before the employee's normal retirement date, (2) the proximate cause of death is a bodily injury sustained or a hazard undergone while in the performance and within the scope of the employee's duties, and (3) the injury or hazard is not the proximate result of willful negligence of the employee, then a monthly survivor's pension shall be paid to the surviving spouse. If there is no surviving spouse or if the spouse later dies, the monthly survivor's pension shall be paid in equal parts to the dependent children of the employee.

The monthly survivor's pension section for survivors of Plan employees is 40% of the employee's monthly compensation in the month in which the employee dies. While the monthly survivor's pension is being paid, the employer shall make contributions on behalf of the employee's beneficiaries based on the deceased employee's gross monthly compensation at the time of occupational death.

**(b) Disability Benefits**

A Plan member is eligible for an occupational disability before the employee's normal retirement date. The occupational disability benefits accrue beginning the first day of the month following termination of employment as a result of the disability and are payable the last day of the month. If a final determination granting the benefit is not made in time to pay the benefit when due, a retroactive payment shall be made to cover the period of deferment.

**(2) Basis of Presentation**

The schedule of employer allocations and the schedule of OPEB amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of the Plan and its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the Plan or its participating employers. The amounts presented in the Schedules are prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(3) Allocation Methodology**

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB asset, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense (benefit). The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of OPEB amounts by employer are based on the ratio of contributions made for each employer to total contributions made to the Plan during the year ended June 30, 2023. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer may result in immaterial differences.

**(4) Contributions**

Employer contributions are actuarially determined and adopted by the Alaska Retirement Management Board (Board). The 2023 employer effective contribution rate is 0.08% of annual payroll.

**(5) Collective Net OPEB Asset**

**(a) Components of the Collective Net OPEB Asset**

The components of the collective net OPEB asset of the Plan as of June 30, 2023 are as follows:

Total OPEB liability	\$ 528,000
Plan fiduciary net position	<u>(7,447,000)</u>
Net OPEB asset	<u>\$ (6,919,000)</u>

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

The collective total OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to the measurement date of June 30, 2023. The actuarial valuation used the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	Range from 7.25% to 2.85% based on service.
Investment rate of return	7.25%, net of investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Mortality	<p>Pre-commencement mortality rates were based on Pub-2010 Teachers Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 15% of the time.</p> <p>Post-commencement mortality rates for healthy retirees were based on 97% of the Pub-2010 Teachers Retiree table, amount-weighted, and projected with MP-2021 generational improvement.</p> <p>Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement.</p> <p>Post-commencement mortality rates for beneficiaries were based on 100% of male and 95% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement.</p> <p>These rates are applied only</p>

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation with the following exceptions:

1. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.



**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(b) Long-Term Expected Rate of Return**

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2023 are summarized in the following table (note that the rates shown below exclude an inflation component of 2.50%):

<u>Asset class</u>	<u>Target asset allocation</u>	<u>Long-term expected real rate of return</u>
Broad domestic equity	27.00%	6.17%
Global equity (non-U.S.)	22.00	6.55
Aggregate bonds	23.00	1.63
Real assets	14.00	4.87
Private equity	14.00	11.57
Cash equivalents	—	0.49

**(c) Discount Rate**

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(d) Sensitivity of the Collective Net OPEB Asset to Changes in the Discount Rate**

The following presents the collective net OPEB asset as of June 30, 2023, calculated using the discount rate of 7.25%, as well as what the Plan's collective net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	<b>1% decrease (6.25%)</b>	<b>Current discount rate (7.25%)</b>	<b>1% increase (8.25%)</b>
\$	6,943,000	6,919,000	6,906,000

**(6) Collective Deferred Outflows of Resources and Deferred Inflows of Resources**

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ending June 30, 2023:

	<b>Year of deferral</b>	<b>Amortization period</b>	<b>Beginning of year balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>End of year balance</b>
<b>Deferred outflows of resources</b>						
Difference between projected and actual earnings on OPEB plan investments	2019	5 years	\$ 9,600	—	9,600	—
	2020	5 years	56,000	—	28,000	28,000
	2021	5 years	(661,800)	—	(220,600)	(441,200)
	2022	5 years	740,000	—	185,000	555,000
	2023	5 years	—	(26,000)	(5,200)	(20,800)
Total deferred outflows of resources			\$ 143,800	(26,000)	(3,200)	121,000
<b>Deferred inflows of resources:</b>						
Difference between expected and actual experience	2017	10.6 years	\$ 6,510	—	1,415	5,095
	2018	10.2 years	126,430	—	24,313	102,117
	2019	9.1 years	153,560	—	30,110	123,450
	2020	9.1 years	61,670	—	10,110	51,560
	2021	9.1 years	263,714	—	37,143	226,571
	2022	8.4 years	323,310	—	43,690	279,620
	2023	8.4 years	—	363,000	43,214	319,786
			935,194	363,000	189,995	1,108,199
Change in assumptions	2019	9.1 years	2,804	—	550	2,254
	2022	8.4 years	13,214	—	1,787	11,427
			16,018	—	2,337	13,681
Total deferred inflows of resources			\$ 951,212	363,000	192,332	1,121,880

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

The previous amounts do not include employer and nonemployer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer and nonemployer over the average of the expected remaining service lives of all plan members, which is 8.4 years, 8.4 years, 9.1 years, 9.1 years, 9.1 years, 10.2 years, and 10.6 years for 2023, 2022, 2021, 2020, 2019, 2018, and 2017, respectively.

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:		
2024	\$	(205,131)
2025		(233,131)
2026		(12,531)
2027		(196,965)
2028		(143,872)
Thereafter		<u>(209,250)</u>
Total	\$	<u><u>(1,000,880)</u></u>

**(7) Collective OPEB Expense (Benefit)**

The components of the collective OPEB expense (benefit) (excluding employer specific amounts) for the year ending June 30, 2023 are as follows:

Service cost	\$	339,000
Interest on total OPEB liability		61,000
Administrative expense		10,000
Expected investment return net of investment expenses		(489,000)
Recognition (amortization) of deferred outflows/inflows of resources:		
Difference between expected and actual experience		(3,200)
Change in assumptions		(189,995)
Difference between projected and actual investment earnings on OPEB plan investments		<u>(2,337)</u>
Total OPEB expense (benefit)	\$	<u><u>(274,532)</u></u>



**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

(With Independent Auditors' Report Thereon)

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

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KPMG LLP  
Suite 600  
701 West Eighth Avenue  
Anchorage, AK 99501

## Independent Auditors' Report

The Division of Retirement and Benefits and  
Members of the Alaska Retirement Management Board  
State of Alaska Teachers' Retirement System

### *Opinions*

We have audited the schedule of employer allocations of the State of Alaska Teachers' Retirement System Retiree Medical Plan (the Plan) as of and for the year ended June 30, 2023, and the related notes. We have also audited the total for all participating entities of the columns titled net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (specified column totals) included in the accompanying schedule of OPEB amounts by employer of the Plan as of and for the year ended June 30, 2023, and the related notes.

In our opinion, the accompanying schedules referred to above present fairly, in all material respects, the employer allocations and net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense for the total of all participating entities for the Plan as of and for the year ended June 30, 2023, in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Schedules*

Management is responsible for the preparation and fair presentation of these schedules in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibilities for the Audit of the Schedules*

Our objectives are to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts in the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer and the related disclosures.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Other Matter*

We have audited, in accordance with GAAS, the financial statements of the Teachers' Retirement System as of and for the year ended June 30, 2023, and our report thereon, dated October 12, 2023, expressed an unmodified opinion on those financial statements.

*Restriction on Use*

Our report is intended solely for the information and use of the Teachers' Retirement System management, Alaska Management Retirement Board, Teachers' Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

Anchorage, Alaska  
December 21, 2023

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2023

Employer	Employer number	Employer contributions	Allocation percentage
Anchorage School District	701	\$ 1,414,452	31.66550 %
Cordova City School District	704	11,917	0.26679
Craig City School District	705	16,020	0.35864
Fairbanks North Star Borough School District	706	372,534	8.33999
Haines Borough School District	707	11,580	0.25924
Hoonah City School District	708	5,524	0.12366
Hydaburg City School District	709	1,007	0.02254
Juneau Borough School District	710	138,680	3.10466
Kake City School District	712	8,177	0.18307
Ketchikan Gateway Borough School District	714	95,854	2.14590
Klawock City School District	717	4,790	0.10723
Kodiak Island Borough School District	718	112,722	2.52352
Nenana City School District	719	12,399	0.27757
Nome City School District	720	27,994	0.62670
Matanuska-Susitna Borough School District	722	567,274	12.69965
Pelican City School District	723	1,035	0.02317
Petersburg City School District	724	18,632	0.41712
Sitka Borough School District	727	44,695	1.00059
Skagway City School District	728	4,737	0.10605
Unalaska City School District	729	19,603	0.43886
Valdez City School District	730	25,246	0.56519
Wrangell Public School District	731	9,187	0.20568
Yakutat School District	732	4,123	0.09230
University of Alaska	733	138,073	3.09106
Galena City School District	735	46,626	1.04382
North Slope Borough School District	736	100,656	2.25340
State of Alaska	737	25,702	0.57552
Bristol Bay Borough School District	742	5,963	0.13350
Southeast Regional Resource Center	743	3,799	0.08504
Dillingham City School District	744	28,014	0.62716
Kenai Peninsula Borough School District	746	275,579	6.16944
Saint Mary's School District	748	9,006	0.20162
Northwest Arctic Borough School District	751	114,312	2.55911
Bering Strait School District	752	142,848	3.19795
Lower Yukon School District	753	98,761	2.21097
Lower Kuskokwim School District	754	173,484	3.88382
Kuspuk School District	755	28,251	0.63245
Southwest Region School District	756	41,559	0.93039
Lake And Peninsula Borough School District	757	24,096	0.53945
Aleutian Region School District	758	3,971	0.08890
Pribilof School District	759	3,336	0.07467
Iditarod Area School District	761	14,358	0.32143
Yukon / Koyukuk School District	762	47,811	1.07034
Yukon Flats School District	763	27,168	0.60821
Denali Borough School District	764	13,212	0.29577
Delta/Greely School District	765	18,730	0.41931
Alaska Gateway School District	766	22,301	0.49926
Copper River School District	767	13,636	0.30527
Chatham School District	768	10,837	0.24261
Southeast Island School District	769	11,414	0.25553
Annette Island School District	770	25,816	0.57795
Chugach School District	771	6,016	0.13468
Tanana School District	775	1,354	0.03031
Kashunamiut School District	777	12,735	0.28511
Yupitit School District	778	23,430	0.52453
Special Education Service Agency	779	10,083	0.22573
Aleutians East Borough School District	780	15,726	0.35207
Total contributions		<u>\$ 4,466,845</u>	<u>100.00000 %</u>

See accompanying notes to schedule of employer allocations and schedule of OPEB amounts by employer.



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**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2023

Deferred outflows of resources							
Employer	Employer number	Net OPEB asset	Difference between expected and actual experience	Change in assumptions	Difference between projected and actual investment earnings on OPEB plan investments	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred outflows of resources
Anchorage School District	701	\$ 7,014,241	1,217,521	293,422	398,796	29,321	1,939,060
Cordova City School District	704	59,097	10,258	2,472	3,360	1,201	17,291
Craig City School District	705	79,442	13,789	3,323	4,517	744	22,373
Fairbanks North Star Borough School District	706	1,847,391	320,667	77,281	105,034	63,590	566,572
Haines Borough School District	707	57,424	9,968	2,402	3,265	5,595	21,230
Hoonah City School District	708	27,392	4,755	1,146	1,557	9,212	16,670
Hydaburg City School District	709	4,993	867	209	284	16,605	17,965
Juneau Borough School District	710	687,712	119,372	28,769	39,100	16,215	203,456
Kake City School District	712	40,552	7,039	1,696	2,306	875	11,916
Ketchikan Gateway Borough School District	714	475,339	82,509	19,885	27,025	491	129,910
Klawock City School District	717	23,753	4,123	994	1,350	2,093	8,560
Kodiak Island Borough School District	718	558,985	97,028	23,384	31,781	9,646	161,839
Nenana City School District	719	61,485	10,672	2,572	3,496	3,926	20,666
Nome City School District	720	138,820	24,096	5,807	7,893	7,718	45,514
Matanuska-Susitna Borough School District	722	2,813,100	488,294	117,678	159,939	9,797	775,708
Pelican City School District	723	5,132	891	215	292	237	1,635
Petersburg City School District	724	92,397	16,038	3,865	5,253	918	26,074
Sitka Borough School District	727	221,640	38,472	9,272	12,601	2,149	62,494
Skagway City School District	728	23,490	4,077	983	1,336	7,673	14,069
Unalaska City School District	729	97,211	16,874	4,067	5,527	2,387	28,855
Valdez City School District	730	125,195	21,731	5,237	7,118	2,856	36,942
Wrangell Public School District	731	45,560	7,908	1,906	2,590	4,793	17,197
Yakutat School District	732	20,445	3,549	855	1,162	2,475	8,041
University of Alaska	733	684,700	118,849	28,643	38,929	3,489	189,910
Galena City School District	735	231,216	40,134	9,672	13,146	1,937	64,889
North Slope Borough School District	736	499,151	86,642	20,881	28,379	102,727	238,629
State of Alaska	737	127,471	22,129	5,331	7,248	706	35,414
Bristol Bay Borough School District	742	29,571	5,133	1,237	1,681	4,283	12,334
Southeast Regional Resource Center	743	18,837	3,270	788	1,071	4,831	9,960
Dillingham City School District	744	138,923	24,114	5,811	7,898	5,605	43,428
Kenai Peninsula Borough School District	746	1,366,592	237,211	57,168	77,698	22,894	394,971
Saint Mary's School District	748	44,660	7,752	1,868	2,539	2,868	15,027
Northwest Arctic Borough School District	751	566,869	98,396	23,713	32,229	35,673	190,011
Bering Strait School District	752	708,379	122,959	29,633	40,275	23,420	216,287
Lower Yukon School District	753	489,753	85,011	20,487	27,845	27,851	161,194
Lower Kuskokwim School District	754	860,304	149,330	35,989	48,913	85,271	319,503
Kuspuk School District	755	140,095	24,317	5,860	7,965	18,094	56,236
Southwest Region School District	756	206,091	35,773	8,621	11,717	12,120	68,231
Lake And Peninsula Borough School District	757	119,493	20,741	4,999	6,794	43,293	75,827
Aleutian Region School District	758	19,692	3,418	824	1,120	1,156	6,518
Pribilof School District	759	16,541	2,871	692	940	2,228	6,731
Iditarod Area School District	761	71,201	12,359	2,979	4,048	5,219	24,605
Yukon / Koyukuk School District	762	237,092	41,154	9,918	13,480	8,421	72,973
Yukon Flats School District	763	134,724	23,385	5,636	7,660	5,943	42,624
Denali Borough School District	764	65,516	11,372	2,741	3,725	3,353	21,191
Delta/Greely School District	765	92,882	16,122	3,885	5,281	4,032	29,320
Alaska Gateway School District	766	110,592	19,196	4,626	6,288	16,461	46,571
Copper River School District	767	67,620	11,737	2,829	3,845	4,724	23,135
Chatham School District	768	53,740	9,328	2,248	3,055	3,824	18,455
Southeast Island School District	769	56,602	9,825	2,368	3,218	7,132	22,543
Annette Island School District	770	128,021	22,222	5,355	7,279	4,335	39,191
Chugach School District	771	29,832	5,178	1,248	1,696	3,196	11,318
Tanana School District	775	6,714	1,165	281	382	4,278	6,106
Kashunamiut School District	777	63,154	10,962	2,642	3,591	5,698	22,893
Yupit School District	778	116,189	20,168	4,860	6,606	18,969	50,603
Special Education Service Agency	779	50,001	8,679	2,092	2,843	959	14,573
Aleutians East Borough School District	780	77,986	13,537	3,262	4,434	3,372	24,605
Total of all participating entities		\$ 22,151,000	3,844,937	926,627	1,259,400	698,879	6,729,843

See accompanying notes to schedule of employer allocations and schedule of OPEB amounts by employer.

Deferred inflows of resources				OPEB expense		
Difference between expected and actual experience	Change in assumptions	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense	Net amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions	
					Proportionate share of contributions	Total OPEB expense
243,492	3,384,964	76,892	3,705,348	197,225	(7,214)	190,011
2,051	28,519	5,829	36,399	1,662	(683)	979
2,758	38,337	8,231	49,326	2,234	(1,034)	1,200
64,130	891,522	13,106	968,758	51,945	6,669	58,614
1,993	27,712	2,891	32,596	1,615	485	2,100
951	13,219	2,678	16,848	770	842	1,612
173	2,409	2,580	5,162	140	1,951	2,091
23,873	331,879	14,777	370,529	19,337	451	19,788
1,408	19,570	1,846	22,824	1,140	(104)	1,036
16,501	229,391	24,254	270,146	13,365	(3,920)	9,445
825	11,463	4,369	16,657	668	(216)	452
19,405	269,757	35,896	325,058	15,717	(3,044)	12,673
2,134	29,672	2,638	34,444	1,729	102	1,831
4,819	66,992	8,178	79,989	3,903	134	4,037
97,654	1,357,559	121,601	1,576,814	79,098	(16,939)	62,159
178	2,477	345	3,000	144	(19)	125
3,207	44,589	7,854	55,650	2,598	(1,088)	1,510
7,694	106,960	1,151	115,805	6,232	196	6,428
815	11,336	1,193	13,344	660	824	1,484
3,375	46,913	6,396	56,684	2,733	(555)	2,178
4,346	60,417	12,013	76,776	3,520	(1,565)	1,955
1,582	21,987	794	24,363	1,281	628	1,909
710	9,867	1,990	12,567	575	(19)	556
23,769	330,426	73,426	427,621	19,252	(10,068)	9,184
8,026	111,581	15,985	135,592	6,501	(2,539)	3,962
17,327	240,882	11,177	269,386	14,035	12,737	26,772
4,425	61,517	11,393	77,335	3,584	(1,635)	1,949
1,027	14,270	3,011	18,308	831	150	981
654	9,090	1,114	10,858	530	545	1,075
4,823	67,042	1,865	73,730	3,906	578	4,484
47,440	659,496	6,483	713,419	38,426	2,608	41,034
1,550	21,552	1,915	25,017	1,256	58	1,314
19,678	273,562	5,085	298,325	15,939	4,718	20,657
24,591	341,853	11,496	377,940	19,918	2,348	22,266
17,001	236,347	21,689	275,037	13,771	1,708	15,479
29,864	415,169	28,473	473,506	24,190	8,369	32,559
4,863	67,608	21,723	94,194	3,939	(802)	3,137
7,154	99,456	1,794	108,404	5,795	1,514	7,309
4,148	57,665	11,657	73,470	3,360	4,577	7,937
684	9,503	1,067	11,254	554	43	597
574	7,982	158	8,714	465	390	855
2,472	34,361	4,145	40,978	2,002	51	2,053
8,230	114,417	21,777	144,424	6,667	(1,973)	4,694
4,677	65,016	30,864	100,557	3,788	(3,158)	630
2,274	31,617	990	34,881	1,842	316	2,158
3,224	44,823	92	48,139	2,612	637	3,249
3,839	53,370	9,004	66,213	3,110	575	3,685
2,347	32,633	2,340	37,320	1,901	145	2,046
1,866	25,934	5,558	33,358	1,511	(202)	1,309
1,965	27,315	1,007	30,287	1,592	988	2,580
4,444	61,781	9,358	75,583	3,600	(744)	2,856
1,036	14,397	4,521	19,954	839	(193)	646
233	3,240	565	4,038	189	527	716
2,192	30,477	6,522	39,191	1,776	128	1,904
4,033	56,071	11,020	71,124	3,267	1,690	4,957
1,736	24,130	3,736	29,602	1,406	(463)	943
2,707	37,635	367	40,709	2,193	495	2,688
<b>768,947</b>	<b>10,689,729</b>	<b>698,879</b>	<b>12,157,555</b>	<b>622,838</b>	<b>—</b>	<b>622,838</b>

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(1) Plan Description**

The State of Alaska Teachers' Retirement System (System) Retiree Medical Plan (Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefits (OPEB) plan that provides health benefits for teachers and other eligible members.

The Plan is established under Alaska Statute 14.25, which defines the benefit and contribution provisions, and may be amended only by the State of Alaska (State) legislature. The self-insured Plan provides major medical coverage to eligible employees who participate in the System's Defined Contribution Retirement (DCR) Plan. Members are not eligible to use this Plan until they have at least 10 years of service, and are Medicare age eligible.

The medical benefits available to eligible persons means that an eligible person may not be denied medical coverage except for failure to pay the required premium. Major medical insurance coverage takes effect on the first day of the month following the date of the Plan administrator's approval of the election and stops when the person who elects coverage dies or fails to make the required premium payment. The coverage for persons 65 years of age or older is the same as that available for persons under 65 years of age. The benefits payable to those persons 65 years of age or older supplement any benefits provided under the federal old age, survivors and disability insurance program. The medical and optional insurance premiums owed by the person who elects coverage may be deducted from the health reimbursement arrangement until the balance becomes insufficient to pay the premiums, at which point the person who elects coverage shall pay the premiums directly.

The cost of premiums for retiree major medical insurance coverage for an eligible member or surviving spouse who is:

- (1) not eligible for Medicare is an amount equal to the full monthly group premium for retiree major medical insurance coverage,
- (2) eligible for Medicare is the following percentage of the premium amounts established for retirees who are eligible for Medicare:
  - (a) 30 percent if the member had 10 or more, but less than 15, years of service;
  - (b) 25 percent if the member had 15 or more, but less than 20, years of service;
  - (c) 20 percent if the member had 20 or more, but less than 25, years of service;
  - (d) 15 percent if the member had 25 or more, but less than 30, years of service; and
  - (e) 10 percent if the member had 30 or more years of service.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(2) Basis of Presentation**

The schedule of employer allocations and the schedule of OPEB amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of the Plan and its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the Plan or its participating employers. The amounts presented in the Schedules are prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**(3) Allocation Methodology**

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB asset, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of OPEB amounts by employer are based on the ratio of contributions made for each employer to total contributions made to the Plan during the year ended June 30, 2023. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer may result in immaterial differences.

**(4) Contributions**

Employer contribution rates are actuarially determined and adopted by the Alaska Retirement Management Board (Board). The 2023 employer effective contribution rate is 0.87% of annual payroll.

**(5) Collective Net OPEB Asset**

**(a) Components of the Collective Net OPEB Asset**

The components of the collective net OPEB asset of the Plan as of June 30, 2023 are as follows:

Total OPEB liability	\$ 54,406,000
Plan fiduciary net position	<u>(76,557,000)</u>
Net OPEB asset	<u>\$ (22,151,000)</u>

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

The collective total OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to the measurement date of June 30, 2023. The actuarial valuation used the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	Range from 7.25% to 2.85% based on service.
Investment rate of return	7.25%, net of investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%
Healthcare cost trend rates	Pre-65 medical: 6.70% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drugs: 7.2% grading down to 4.5% Employer Group Waiver Plan (EGWP): 7.2% grading down to 4.5% Initial trend rates are for FY 2024 Ultimate trend rates reached in FY 2050
Mortality	Pre-commencement mortality rates were based on the Pub-2010 Teachers Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 15% of the time.  Post-commencement mortality rates for healthy retirees were based on 98% of male and 100% of female rates of the Pub-2010 Teachers Retiree table, headcount-weighted, and projected with MP-2021 generational improvement.  Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement.  Post-commencement mortality rates for beneficiaries were based on 100% of male and 94% of female rates of the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

Participation rates reflect the expected plan election rate that varies by reason for decrement, duration that a member may pay full cost prior to Medicare eligibility, and availability of alternative and/or lower cost options, particularly in the Medicare market. This assumption is based on observed trends in participation from a range of other plans. The following participation rates were used to measure the collective net OPEB liability of the Plan as of June 30, 2023:

<b>Decrement due to disability</b>		<b>Decrement due to retirement</b>	
<b>Age</b>	<b>Percent participation</b>	<b>Age</b>	<b>Percent participation</b>
<56	75.0 %	55	50.0 %
56	77.5	56	55.0
57	80.0	57	60.0
58	82.5	58	65.0
59	85.0	59	70.0
60	87.5	60	75.0
61	90.0	61	80.0
62	92.5	62	85.0
63	95.0	63	90.0
64	97.5	64	95.0
65+	100.0	65+	
			<b>Years of service</b>
			<15
			15–19
			20–24
			25–29
			30+

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(b) Long-Term Expected Rate of Return**

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation are summarized in the following table (note that the rates shown below exclude an inflation component of 2.50%):

<u>Asset class</u>	<u>Target asset allocation</u>	<u>Long-term expected real rate of return</u>
Broad domestic equity	27.00%	6.17%
Global equity (non-U.S.)	22.00	6.55
Aggregate bonds	23.00	1.63
Real assets	14.00	4.87
Private equity	14.00	11.57
Cash equivalents	—	0.49

**(c) Discount Rate**

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**(d) Sensitivity of the Collective Net OPEB Asset to Changes in the Discount Rate**

The following presents the collective net OPEB asset of the Plan as of June 30, 2023, calculated using the discount rate of 7.25%, as well as what the Plan's collective net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	<u>1% decrease (6.25%)</u>	<u>Current discount rate (7.25%)</u>	<u>1% increase (8.25%)</u>
\$	8,126,000	22,151,000	32,727,000



**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(e) Sensitivity of the Collective Net OPEB Asset to Changes in the Healthcare Cost Trend Rates**

The following presents the collective net OPEB asset of the Plan as of June 30, 2023 calculated using the current healthcare cost trend rates as disclosed above, as well as what the Plan's collective net OPEB asset would be if it were calculated using trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	<u>1% decrease</u>	<u>Current healthcare cost trend rate</u>	<u>1% increase</u>
\$	34,027,000	22,151,000	6,040,000

**(6) Collective Deferred Outflows of Resources and Deferred Inflows of Resources**

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ending June 30, 2023:

	<u>Year of deferral</u>	<u>Amortization period</u>	<u>Beginning of year balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of year balance</u>
Deferred outflows of resources:						
Difference between expected and actual experience						
	2019	9.0 years	\$ 1,497,779	—	299,556	1,198,223
	2021	9.0 years	1,799,000	—	257,000	1,542,000
	2023	8.4 years	—	1,254,000	149,286	1,104,714
			<u>3,296,779</u>	<u>1,254,000</u>	<u>705,842</u>	<u>3,844,937</u>
Change in assumptions						
	2018	10.2 years	1,113,413	—	214,118	899,295
	2021	9.0 years	31,888	—	4,556	27,332
			<u>1,145,301</u>	<u>—</u>	<u>218,674</u>	<u>926,627</u>
Difference between projected and actual earnings on OPEB plan investments						
	2019	5 years	92,000	—	92,000	—
	2020	5 years	546,800	—	273,400	273,400
	2021	5 years	(6,678,000)	—	(2,226,000)	(4,452,000)
	2022	5 years	7,534,400	—	1,883,600	5,650,800
	2023	5 years	—	(266,000)	(53,200)	(212,800)
			<u>1,495,200</u>	<u>(266,000)</u>	<u>(30,200)</u>	<u>1,259,400</u>
Total deferred outflows of resources			<u>\$ 5,937,280</u>	<u>988,000</u>	<u>894,316</u>	<u>6,030,964</u>

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

	<u>Year of deferral</u>	<u>Amortization period</u>	<u>Beginning of year balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of year balance</u>
Deferred inflows of resources:						
Difference between expected and actual experience						
	2017	10.6 years	\$ 866	—	189	677
	2018	10.2 years	198,315	—	38,137	160,178
	2020	9.1 years	354,606	—	58,132	296,474
	2022	8.4 years	360,309	—	48,691	311,618
			<u>914,096</u>	<u>—</u>	<u>145,149</u>	<u>768,947</u>
Change in assumptions						
	2019	9.0 years	2,528,332	—	505,667	2,022,665
	2020	9.1 years	3,775,297	—	618,901	3,156,396
	2022	8.4 years	5,206,429	—	703,571	4,502,858
	2023	8.4 years	—	1,144,000	136,190	1,007,810
			<u>11,510,058</u>	<u>1,144,000</u>	<u>1,964,329</u>	<u>10,689,729</u>
Total deferred inflows of resources			<u>\$ 12,424,154</u>	<u>1,144,000</u>	<u>2,109,478</u>	<u>11,458,676</u>

The previous amounts do not include employer and nonemployer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer and nonemployer over the average of the expected remaining service lives of all plan members, which is 8.4 years, 8.4 years, 9.0 years, 9.1 years, 9.0 years, 10.2 years, and 10.6 years for the 2023, 2022, 2021, 2020, 2019, 2018, and 2017 amounts, respectively.

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2024	\$ (1,307,163)
2025	(1,580,563)
2026	645,437
2027	(1,238,088)
2028	(1,119,448)
Thereafter	<u>(827,887)</u>
Total	<u>\$ (5,427,712)</u>

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM  
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and  
Schedule of OPEB Amounts by Employer

June 30, 2023

**(7) Collective OPEB Expense**

The components of the collective OPEB expense (excluding employer specific amounts) for the year ending June 30, 2023 are as follows:

Service cost	\$ 3,136,000
Interest on total OPEB liability	3,672,000
Administrative expense	37,000
Expected investment return net of investment expenses	(5,007,000)
Recognition (amortization) of deferred outflows/inflows of resources:	
Difference between expected and actual experience	560,693
Change in assumptions	(1,745,655)
Difference between projected and actual investment earnings on OPEB plan investments	<u>(30,200)</u>
Total OPEB expense	<u>\$ 622,838</u>



KPMG LLP  
Suite 200  
3800 Centerpoint Drive  
Anchorage, AK 99503

February 1, 2024

Audit Committee  
Alaska Retirement Management Board  
Juneau, Alaska

To the audit committee:

We have audited the financial statements of the State of Alaska National Guard and Naval Militia Retirement System (the System) as of June 30, 2023 and for the year then ended, and have issued our report thereon dated February 1, 2024. Under our professional standards, we provided you with a presentation dated December 6, 2023 that related to our audit of the financial statements of the System as of June 30, 2023 and for the year then ended. This communication is an update to that presentation and should be considered only in conjunction with such presentation.

The following matters update our previous communication to you:

#### **Resolution of Outstanding Matters**

All outstanding matters communicated to you on December 6, 2024 were not satisfactorily resolved. Management did not provide us the requested census data support, therefore we were unable to perform sufficient audit procedures over the accuracy of the census data used to calculate the total pension liability. As a result, we have issued a disclaimer of opinion.

#### **Written Communications**

Attached to this letter please find copies of the following written communications between management and us:

1. Management representation letter and
2. Material weakness letter

#### **Update to Required Communications**

No other matters have come to our attention subsequent to December 6, 2023 and through the date of this letter that would require us to provide you with additional information related to our audit of the financial statements of the System as of June 30, 2023 and for the year then ended.

\* \* \* \* \*

This letter to the audit committee is intended solely for the information and use of the audit committee and management and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

**KPMG LLP**



THE STATE  
of **ALASKA**  
GOVERNOR MICHAEL J. DUNLEAVY

**Department of Administration**

**DIVISION OF RETIREMENT AND BENEFITS**

6th Floor State Office Building  
333 Willoughby Avenue  
P.O. Box 110203  
Juneau, AK 99811-0203  
Phone: (907) 465-4460  
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Alaska.gov/drb

February 1, 2024

KPMG LLP  
701 West 8<sup>th</sup> Avenue, Suite 600  
Anchorage, Ak 99501

Ladies and Gentlemen:

Ladies and Gentlemen:

We are providing this letter in connection with your audit of the statement of fiduciary net position of National Guard and Naval Militia Retirement System (the Plan), the related statement of changes in fiduciary net position, and the related notes to the financial statements as of and for the year ended June 30, 2023, for the purpose of expressing an opinion as to whether these financial statements present fairly, in all material respects, the respective financial position and changes in financial position in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

We understand that you will not express an unmodified opinion on the financial statements of National Guard and Naval Militia Retirement System as of and for the year ended June 30, 2023 because you were unable to perform sufficient auditing procedures to verify the accuracy of the census data used to calculate the total pension liability

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of February 1, 2024:

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 25, 2019, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We have made available to you:
  - a. All records, documentation, and information that is relevant to the preparation and fair presentation of the financial statements;
  - b. Additional information that you have requested from us for the purpose of the audit;
  - c. All minutes of the meetings of Alaska Retirement Management Board (ARMB), or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant board and committee actions are included in the summaries; and
  - d. Unrestricted access and the full cooperation of personnel within the entity from whom you determined it necessary to obtain audit evidence.

3. There have been no communications from regulatory agencies, governmental representatives, employees or others concerning investigations or allegations of noncompliance with laws and regulations in any jurisdiction, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
4. There are no known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
5. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
6. We have no side agreements or other arrangements (either written or oral).
7. All events subsequent to the date of the statement of net position and through the date of this letter for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with paragraphs 96 – 113 of Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
9. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
10. We acknowledge our responsibility for the design, implementation, and maintenance of programs and controls to prevent, deter, and detect fraud; for adopting sound accounting policies; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements and to provide reasonable assurance against the possibility of misstatements that are material to the financial statements, whether due to error or fraud. We understand that the term "fraud" is defined as an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in financial statements that are the subject of an audit.
11. We have disclosed to you all deficiencies in the design or operation of internal control over financial reporting of which we are aware, which could adversely affect the Plan's ability to initiate, authorize, record, process, or report financial data. We have separately disclosed to you all such deficiencies that we believe to be significant deficiencies or material weaknesses in internal control over financial reporting, as those terms are defined in AU-C Section 265.07, *Communicating Internal Control Related Matters Identified in an Audit*.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13. We have no knowledge of any fraud, or suspected fraud, affecting the Plan involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Plan's financial statements communicated by employees, former employees, regulators, or others.
15. The Plan or Plan sponsor has no plans or intentions to terminate the plan or merge the plan into or with another plan.
16. We have no knowledge of any officer, trustee of the Plan, Plan sponsor, Plan, or any other person acting under the direction thereof, having taken any action to fraudulently influence, coerce, manipulate, or mislead you during your audit.
17. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
18. We have disclosed to you the identity of all our related parties and all the related party relationships and transactions of which we are aware.
19. The following have been properly recorded or disclosed in the financial statements:
  - a. Related party relationships and transactions, of which we are aware, in accordance with U.S. GAAP, including sales, purchases, loans, transfers, leasing arrangements, guarantees, ongoing contractual commitments and amounts receivable from or payable to related parties.
20. The Plan has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral.
21. The Plan has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
22. The projected employer contributions in the net pension liability discount rate calculation are prepared in accordance with paragraphs 41-43 of GASB Statement 67.
23. We acknowledge our responsibility for and agree with the actuarial methods and assumptions used by the Plan's actuary for funding purposes and for determining accumulated plan benefits are appropriate in the Plan's circumstances. We did not give any, nor cause any, instruction to the Plan's actuary with respect to our values or amounts derived, and we are not aware of any matters that have affected the independence or objectivity of the Plan's actuary.

24. We acknowledge our responsibility for and agree with the actuarial methods and assumptions used by the Plan's actuary for determining claims incurred but not reported, postemployment benefit obligation, and postretirement benefit obligation are appropriate in the Plan's circumstances. We did not give any, nor cause any, instruction to the Plan's actuary with respect to our values or amounts derived, and we are not aware of any matters that have affected the independence or objectivity of the Plan's actuary.
25. All required filings of the Plan and trust documents have been made with the appropriate regulatory agencies.
26. The Plan (and the trust established under the Plan) is qualified under the appropriate section of the Internal Revenue Code and intends to continue as a qualified plan (and trust). We believe the Plan (and trust) is being operated in a manner that did not jeopardize the continued qualification of the Plan (and trust).
27. We have disclosed to you all accounting policies and practices we have adopted that, if applied to significant items or transactions, would not be in accordance with U.S. GAAP. We have evaluated the impact of the application of each such policy and practice, both individually and in the aggregate, on the Plan's current period financial statements, and the expected impact of each such policy and practice on future periods' financial reporting. We believe the effect of these policies and practices on the financial statements is not material. Furthermore, we do not believe the impact of the application of these policies and practices will be material to the financial statements in future periods.
28. To the best of our knowledge and belief, we have provided you with a complete and accurate listing of our affiliates as defined by the AICPA Code of Professional Conduct interpretation ET 1.224.020, *State and Local Government Client Affiliates*.
29. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with the applicable criteria and prescribed guidelines established by the *Governmental Accounting Standards Board* and:
- a. Believe the required supplementary information, including its form and content, is fairly presented in accordance with the applicable criteria and prescribed guidelines;
  - b. The methods of measurement or presentation of the required supplementary information have not changed from those used in the prior period; and
  - c. The significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information are reasonable and appropriate.



Very truly yours,

**National Guard and Naval Militia Retirement System**



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Ajay Desai  
*Division Director*



---

Kevin Worley  
*Chief Financial Officer*





KPMG LLP  
Suite 200  
3800 Centerpoint Drive  
Anchorage, AK 99503

February 1, 2024

Management and the Audit Committee  
Alaska Retirement Management Board  
Juneau, Alaska

Ladies and Gentlemen:

In planning and performing our audit of the financial statements of the State of Alaska National Guard and Naval Militia Retirement System (the System) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses and/or significant deficiencies and therefore, material weaknesses and/or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in the System's internal control to be a material weakness:

#### *Review of Census Data*

The System provides benefits to those who have at least 5 years of Alaska Guard service and 20 years of U.S. military service. The Department of Military and Veterans Affairs (DMVA) does not maintain appropriate records for individuals included in the census data that is used to calculate the total pension liability. The Division of Retirement and Benefits (Division) did not design control activities to validate the census data. We identified the potential for census data errors during our audit and ultimately modified our audit opinion because we could not obtain sufficient appropriate audit evidence about the census data.



Management and the Audit Committee  
Alaska Retirement Management Board  
February 1, 2024  
Page 2 of 2

This communication is intended solely for the information and use of management, the audit committee, others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

**KPMG LLP**



**STATE OF ALASKA  
NATIONAL GUARD AND  
NAVAL MILITIA RETIREMENT SYSTEM**

(A Component Unit of the State of Alaska)

Financial Statements and Supplemental Schedules

June 30, 2023

(With Independent Auditors' Report Thereon)

**STATE OF ALASKA  
NATIONAL GUARD AND  
NAVAL MILITIA RETIREMENT SYSTEM**  
(A Component Unit of the State of Alaska)

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KPMG LLP  
Suite 200  
3800 Centerpoint Drive  
Anchorage, AK 99503

## **Independent Auditors' Report**

The Division of Retirement and Benefits and  
Members of the Alaska Retirement Management Board  
State of Alaska National Guard and Naval Militia Retirement System:

### *Disclaimer of Opinion*

We were engaged to audit the financial statements of the State of Alaska National Guard and Naval Militia Retirement System (the System), a component unit of the State of Alaska, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

We do not express an opinion on the accompanying financial statements of the System. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

### *Basis for Disclaimer of Opinion*

The components of the pension liability (asset) as of June 30, 2023, which includes the total pension liability of \$28,322,520, the fiduciary net position of \$44,501,184, and net pension asset of \$16,178,664, are disclosed in note 4 to the financial statements. The total pension liability is measured using various actuarial assumptions and the underlying census data for plan participants. We were not allowed access to the personnel records to determine whether the census data is complete and accurate. As a result, we were unable to determine whether any adjustments to total pension liability and net pension asset were necessary.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our responsibility is to conduct an audit of the System's financial statements in accordance with auditing standards generally accepted in the United States of America and to issue an auditors' report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.



We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

KPMG LLP

Anchorage, Alaska  
February 1, 2024

**STATE OF ALASKA  
NATIONAL GUARD AND  
NAVAL MILITIA RETIREMENT SYSTEM**  
(A Component Unit of the State of Alaska)

Management's Discussion and Analysis (Unaudited)

June 30, 2023

This section presents management's discussion and analysis (MD&A) of the State of Alaska National Guard and Naval Militia Retirement System's (the Plan) financial position and performance for the year ended June 30, 2023. This section is presented as a narrative overview and analysis. Please read the MD&A in conjunction with the financial statements, notes to financial statements, required supplementary information, and supplemental schedules to better understand the financial condition and performance of the Plan during the fiscal year ended June 30, 2023. Information for fiscal years 2022 and 2021 is presented for comparative purposes.

**Financial Highlights**

The Plan's financial highlights for the year ended June 30, 2023 were as follows:

- The Plan's fiduciary net position restricted for pension benefits increased by \$413 thousand.
- The State of Alaska, Department of Military and Veterans' Affairs did not appropriate funds to the Plan for fiscal year 2023 due to the Plan's significant over-funded level.
- The Plan's net investment income increased by \$6.2 million when compared to 2022, to \$2.5 million.
- Plan pension benefit expenditures totaled \$1.7 million.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Plan's financial statements. The Plan's financial statements are composed of three components: (1) statement of fiduciary net position, (2) statement of changes in fiduciary net position, and (3) notes to financial statements. This report also contains required supplementary information and other supplemental schedules.

*Statement of fiduciary net position* – This statement presents information regarding the Plan's assets, liabilities, and resulting net position restricted for pension benefits. This statement reflects the Plan's investments at fair value, along with cash and cash equivalents, receivables, and other assets less liabilities at June 30, 2023.

*Statement of changes in fiduciary net position* – This statement presents how the Plan's net position restricted for pension benefits changed during the fiscal year ended June 30, 2023. This statement presents contributions and investment income during the period. Deductions for pension benefits and operating deductions are also presented.

The above statements represent resources available for investment and payment of benefits as of June 30, 2023, and the sources and uses of those funds during fiscal year 2023.

*Notes to financial statements* – The notes to financial statements are an integral part of the financial statements and provide additional detailed information and schedules that are essential to a full understanding of the Plan's financial statements.



**STATE OF ALASKA  
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(A Component Unit of the State of Alaska)

Management's Discussion and Analysis (Unaudited)

June 30, 2023

*Required supplementary information and related notes* – The required supplementary information consists of three schedules and related notes concerning the funded status of the Plan, as well as actuarial assumptions and methods used in the actuarial valuation.

*Supplemental schedules* – Supplemental schedules include detailed information on administrative and investment deductions incurred by the Plan and payments to consultants (other than investment advisors) for professional services.

**Condensed Financial Information**

Description	Fiduciary net position				
	2023	2022	Increase (decrease)		2021
			Amount	Percentage	
<b>Assets:</b>					
Cash and cash equivalents	\$ 1,842,786	578,572	1,264,214	218.5%	\$ 1,385,305
Accounts receivable	319	79	240	303.8	319
Investments at fair value	42,814,322	43,633,890	(819,568)	(1.9)	48,659,557
Total assets	<u>44,657,427</u>	<u>44,212,541</u>	<u>444,886</u>	<u>1.0</u>	<u>50,045,181</u>
<b>Liabilities:</b>					
Accrued expenses	45,212	25,116	20,096	80.0	29,429
Securities lending collateral payable	86,801	80,866	5,935	7.3	113,918
Due to State of Alaska General Fund	24,230	18,518	5,712	30.8	88,798
Total liabilities	<u>156,243</u>	<u>124,500</u>	<u>31,743</u>	<u>25.5</u>	<u>232,145</u>
Net position	<u>\$ 44,501,184</u>	<u>44,088,041</u>	<u>413,143</u>	<u>0.9%</u>	<u>\$ 49,813,036</u>

Description	Changes in fiduciary net position				
	2023	2022	Increase (decrease)		2021
			Amount	Percentage	
Net position, beginning of year	\$ 44,088,041	49,813,036	(5,724,995)	(11.5)%	\$ 42,095,708
<b>Additions:</b>					
Contributions – Alaska DMVA	—	—	—	—	—
Net investment income (loss)	2,453,401	(3,746,506)	6,199,907	165.5	9,474,407
Miscellaneous income	—	—	—	—	1,690
Total additions	<u>2,453,401</u>	<u>(3,746,506)</u>	<u>6,199,907</u>	<u>165.5</u>	<u>9,476,097</u>
<b>Deductions:</b>					
Pension benefits	1,745,217	1,620,749	124,468	7.7	1,454,330
Administrative	295,041	357,740	(62,699)	(17.5)	304,439
Total deductions	<u>2,040,258</u>	<u>1,978,489</u>	<u>61,769</u>	<u>3.1</u>	<u>1,758,769</u>
Increase (decrease) in net position	<u>413,143</u>	<u>(5,724,995)</u>	<u>6,138,138</u>	<u>107.2</u>	<u>7,717,328</u>
Net position, end of year	<u>\$ 44,501,184</u>	<u>44,088,041</u>	<u>413,143</u>	<u>0.9%</u>	<u>\$ 49,813,036</u>

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NATIONAL GUARD AND  
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Management's Discussion and Analysis (Unaudited)

June 30, 2023

**Financial Analysis of the Plan**

The statement of fiduciary net position as of June 30, 2023 shows net position restricted for pension benefits of \$44,501,184. The entire amount is available to cover the Plan's obligations to pay benefits to its members and their beneficiaries, as well as administrative costs.

This represents an increase of \$413,143 or 0.9% in plan net position restricted for pension benefits from fiscal year 2022 to 2023, and a decrease of \$5,724,995 or 11.5% from fiscal year 2021 to 2022. Over the long term, employer contributions and investment income are projected to sufficiently fund the Plan's pension and administrative costs.

The investment of pension funds is a long-term undertaking. On an annual basis, the Alaska Retirement Management Board (the Board) reviews and adopts an asset allocation strategy to ensure the asset mix will remain at an optimal risk/return level given the Plan's constraints and objectives.

**Plan Asset Allocation**

During fiscal years 2023 and 2022, the Board adopted the following asset allocations:

	<u>2023</u>		<u>2022</u>	
	<u>Allocation</u>	<u>Range</u>	<u>Allocation</u>	<u>Range</u>
Broad domestic equity	20.0%	± 6%	20.0%	± 6%
Global equity ex-U.S.	13.0	± 4	13.0	± 4
Fixed income	44.0	± 10	46.0	± 10
Multi-asset	8.0	± 4	6.0	± 4
Real assets	7.0	± 4	7.0	± 4
Private equity	8.0	± 4	8.0	± 4
Total	<u>100.0%</u>		<u>100.0%</u>	
Expected return - 20 year geometric mean	5.73%		5.68%	
Projected standard deviation	9.46		9.33	

For fiscal years 2023 and 2022, the Plan's investments generated a 5.44% and (6.29)% rate of return, respectively.

**STATE OF ALASKA  
NATIONAL GUARD AND  
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(A Component Unit of the State of Alaska)

Management's Discussion and Analysis (Unaudited)

June 30, 2023

**Contributions and Investment Income**

The additions required to fund retirement benefits are accumulated through a combination of employer contributions, investment income, and other additions are as follows:

	<b>Additions</b>				
	<b>2023</b>	<b>2022</b>	<b>Increase (decrease)</b>		<b>2021</b>
			<b>Amount</b>	<b>Percentage</b>	
Contributions – Alaska DMVA	\$ —	—	—	—%	—
Net investment income (loss)	2,453,401	(3,746,506)	6,199,907	165.5	9,474,407
Other	—	—	—	—	1,690
<b>Total</b>	<b>\$ 2,453,401</b>	<b>(3,746,506)</b>	<b>6,199,907</b>	<b>165.5%</b>	<b>9,476,097</b>

The Plan's employer contributions from the Alaska Department of Military and Veterans Affairs (DMVA) remained at \$0 during fiscal years 2023 and 2022 as the Plan continues to maintain a funded level well above 100%. These amounts were the actuarially determined contribution as calculated by the Plan's consulting actuary. No actuarially determined contribution amount was required for fiscal 2023 as a result of the roll-forward actuarial valuation report. Full actuarial valuation reports are completed for the Plan biennially with roll-forward actuarial valuation reports being completed in the interim years.

The Plan's net investment income in fiscal year 2023 increased by \$6,199,907 or 165.5% from amounts in fiscal year 2022. The Plan's net investment income in fiscal year 2022 decreased by \$13,220,913 or 139.5% from amounts in fiscal year 2021. The investment gains in fiscal year 2023 were substantially higher than the investment losses seen in fiscal year 2022, primarily due to improved investor sentiment in domestic stocks and an increase in overseas stocks aided through currency appreciation versus the U.S. dollar that exceeded the Plan's actuarial rate of return. However, other investment classes did not fare as well, ending the year below the 5.75% rate of return. Over the long term, investment earnings play a significant role in funding plan benefits. The Board continues to look at investment classes and strategies best suited to meet the expected earnings returns to meet future benefit payments.

**STATE OF ALASKA  
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Management's Discussion and Analysis (Unaudited)

June 30, 2023

The Plan's investment rates of return for the year ended June 30 were as follows:

	Year ended		
	2023	2022	2021
System returns	5.44%	(6.29)%	21.56 %
Domestic equities	17.83	(11.73)	42.84
Fixed income	0.50	(7.25)	2.31
Multi-asset	4.10	(10.58)	23.94
Real assets	2.37	14.29	10.22
International equities	15.15	(20.96)	38.73
Private equity	(3.28)	26.26	68.52
Cash equivalents	—	—	0.19
Actuarially assumed rate of return	5.75	5.75	5.75

**Benefits and Other Deductions**

The primary deduction of the Plan is the payment of pension benefits. These benefit payments and the cost of administering the Plan comprise the cost of operations as follows:

	Deductions				
	2023	2022	Increase (decrease)		2021
			Amount	Percentage	
Pension benefits	\$ 1,745,217	1,620,749	124,468	7.7%	\$ 1,454,330
Administrative	295,041	357,740	(62,699)	(17.5)	304,439
Total	\$ 2,040,258	1,978,489	61,769	3.1%	\$ 1,758,769

The fiscal year 2023 and 2023 increase in pension benefits is due to an increase in the number of lump sum payment recipients.

The Plan's administrative costs in fiscal year 2023 decreased \$62,699 or 17.50% from fiscal year 2022 and increased \$53,301 or 17.5% from fiscal year 2021. The decreased administrative cost in fiscal years 2023 is related to reductions related to a capital project for a retirement system replacement and reductions on contractual costs charged to the Plan. For fiscal year 2022, the increase in costs is related to a capital project for a retirement system replacement.

**Net Pension Asset**

Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, requires the Plan to report the total pension liability, fiduciary net position, and the net pension liability. The total

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pension liability represents the total obligation for the Plan's pension benefits related to costs incurred as a result of years of service, changes in benefit terms, changes in actuarial assumptions, and any differences between the actuarial assumptions and actual experience. The Plan's fiduciary net position represents the assets available to pay the Plan's future payment stream. The assets are derived from contributions received from the participating employer and nonemployer contributions, if any, as well as investment earnings, less benefit payments during the year and the related costs to administer the Plan. When the fiduciary net position exceeds the total pension liability, the Plan reports a net pension asset.

The components of the net pension asset at June 30 were as follows:

	<b>2023</b>	<b>2022</b>
Total pension liability	\$ 28,322,520	26,667,059
Plan fiduciary net position	(44,501,184)	(44,088,041)
Plan's net pension asset	\$ (16,178,664)	(17,420,982)
Plan fiduciary net position as a percentage of the total pension liability	157.12 %	165.33 %

### Funding

Retirement benefits are financed by accumulations from DMVA contributions, periodic State of Alaska appropriations, and income earned on Plan investments.

- The actuarially determined employer contribution amounts are calculated by the Plan's consulting actuary and approved by the Board. Contributions are determined on an annual basis either through the actuarial valuation or the actuarial valuation roll-forward process.
- The Board works with an external consultant to determine the proper asset allocation strategy.

### Legislation

During fiscal year 2023, the 33rd Alaska State Legislature did not appropriate contribution funding from the General Fund to the Department of Military and Veterans' Affairs for deposit in the Plan's defined benefit pension fund as retirement funding for fiscal year ending June 30, 2024, due to the continued significant overfunding of the Plan.

### Economic Conditions, Future Contribution Amounts, and Funding Status

Fiscal year 2023 had positive investment returns, with an overall return rate of 5.44%, slightly less than the 5.75% assumed rate of return. Net investment income increased from negative \$3,746,506 in fiscal year 2022 to \$2,453,401 in fiscal year 2023, an increase of \$6,199,907 or 165.5%. The Board continues to work with its external investment consultant and the Alaska Department of Revenue, Treasury Division, to diversify the portfolio of the Plan to maintain an optimal risk/return ratio.

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June 30, 2023

The consulting actuary recommended no change from the Plan's actuarially determined contribution amount of \$0 in fiscal year 2022 to fiscal year 2023. For fiscal year 2023, the actuary recommended that a contribution to the Plan was not necessary. With the Plan's 162.9% funding ratio as of the June 30, 2022 actuarial valuation report, the Board concurred that no additional contributions are necessary for the Plan until such time that the Plan's funded ratio is less than 100%. The Alaska legislature did not appropriate funds for fiscal year 2024 and will continue to evaluate future contributions to the Plan.

The actuarial valuation report for June 30, 2022 reported a funded ratio of 162.9% and a funding excess of \$17.8 million. The actuarial roll-forward valuation for June 30, 2021 reported a funded ratio of 196.9% and a funding excess of \$22.3 million.

The decrease in the funding excess is attributable to investment losses during fiscal year 2022 that provided an actuarial rate of return less than the expected return. Additionally, there was an increase to the actuarial accrued liability of approximately \$1.0 million due to new entrants and rehires that had service accrued prior to June 30, 2022, and the effect of the newly adopted assumptions that increased the actuarial accrued liability by \$3.9 million.

Both the actuarial valuation report of June 30, 2022 and the actuarial roll-forward valuation report of June 30, 2021 are posted to the Plan's web page. The actuarial valuation reports for the Plan are conducted biennially. The actuarial valuation report for June 30, 2022 was presented to the Board in June 2023, and adopted in September 2023. The actuarial roll-forward valuation for June 30, 2021 report was completed and presented in March 2022, and adopted by the Board in June 2022. The Board adopted new valuation assumptions as a result of an experience study conducted for the period July 1, 2017 to June 30, 2021. The adoption of these assumptions occurred in June 2022 and were used on the actuarial valuation report for the year ended June 30, 2022.

**STATE OF ALASKA  
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Management's Discussion and Analysis (Unaudited)

June 30, 2023

**Requests for Information**

This financial report is designed to provide a general overview for those parties interested in the Plan's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

State of Alaska National Guard and Naval Militia Retirement System  
Division of Retirement and Benefits, Finance Section  
P.O. Box 110203  
Juneau, Alaska 99811-0203

Questions concerning any of the investment information provided in this report or requests for additional investment information should be addressed to:

State of Alaska  
Department of Revenue, Treasury Division  
P.O. Box 110405  
Juneau, Alaska 99811-0405

**STATE OF ALASKA  
NATIONAL GUARD AND  
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Statement of Fiduciary Net Position

June 30, 2023

Assets:	
Cash and cash equivalents:	
Short-term fixed income pool	\$ 1,755,985
Securities lending collateral	86,801
Total cash and cash equivalents	<u>1,842,786</u>
Accounts receivable	<u>319</u>
Investments at fair value:	
Fixed income securities:	
Transition pool	419,906
Opportunistic fixed income pool	3,725,333
Barclays aggregate bond fund	13,864,270
Total fixed income securities	<u>18,009,509</u>
Broad domestic equity:	
Large cap pool	7,542,065
Small cap pool	679,300
Total broad domestic equity	<u>8,221,365</u>
Global equity ex-U.S.:	
International equity pool	4,561,670
Emerging markets equity pool	997,741
Total global equity ex-U.S.	<u>5,559,411</u>
Multi-asset:	
Alternative equity strategies pool	452,269
Tactical allocation strategies pool	1,547,923
Alternative fixed income pool	1,227,374
Alternative beta pool	421,020
Total Multi-asset	<u>3,648,586</u>
Private equity pool	<u>4,161,352</u>
Real assets:	
Real estate pools	1,181,861
Real estate investment trust pool	342,411
Infrastructure private pool	614,026
Energy pool	38,323
Farmland pool	754,303
Timber pool	283,175
Total real assets	<u>3,214,099</u>
Total investments	<u>42,814,322</u>
Total assets	<u>44,657,427</u>
Liabilities:	
Accrued expenses	45,212
Securities lending collateral payable	86,801
Due to State of Alaska General Fund	24,230
Total liabilities	<u>156,243</u>
Fiduciary net position restricted for pension benefits	<u>\$ 44,501,184</u>

See accompanying notes to financial statements.



**STATE OF ALASKA  
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Statement of Changes in Fiduciary Net Position

Year ended June 30, 2023

Additions:

Contributions – Alaska Department of Military & Veterans Affairs	\$ <u>          —</u>
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Investment income:

Net appreciation in fair value	1,709,292
Interest	482,410
Dividends	<u>357,023</u>

Total investment income	2,548,725
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Less investment expense	<u>97,486</u>
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Net investment income before securities lending activities	<u>2,451,239</u>
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Securities lending income	2,702
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Less securities lending expense	<u>540</u>
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Net income from securities lending activities	<u>2,162</u>
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Net investment income	<u>2,453,401</u>
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Total additions	<u>2,453,401</u>
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Deductions:

Pension benefits	1,745,217
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Administrative	<u>295,041</u>
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Total deductions	<u>2,040,258</u>
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Net increase	413,143
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Fiduciary net position restricted for pension benefits:

Balance, beginning of year	<u>44,088,041</u>
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Balance, end of year	<u>\$ <u>44,501,184</u></u>
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See accompanying notes to financial statements.

**STATE OF ALASKA  
NATIONAL GUARD AND  
NAVAL MILITIA RETIREMENT SYSTEM**  
(A Component Unit of the State of Alaska)

Notes to Financial Statements

June 30, 2023

**(1) Description**

The State of Alaska National Guard and Naval Militia Retirement System (the Plan) is a component unit of the State of Alaska (the State). The Plan is administered by the Division of Retirement and Benefits (the Division) within the Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State legislature. The Alaska Retirement Management Board (the Board) is responsible for overseeing the management and investment of the Plan. The Board consists of nine trustees as follows, two trustees consisting of the commissioner of administration and the commissioner of revenue, two trustees who are members of the general public, one trustee who is employed as a finance officer for a political subdivision participating in either the Public Employees' Retirement System (PERS) or Teachers' Retirement System (TRS), two trustees who are PERS members, and two trustees who are TRS members.

**(a) Plan Membership**

Plan membership as of the valuation year ended June 30 is as follows:

	<b>2022</b>
Retirees and beneficiaries currently receiving benefits	691
Terminated plan members entitled to future benefits	702
Total current and future benefits	1,393
Active plan members:	
Alaska Air National Guard	2,300
Alaska Army National Guard	1,560
Alaska Naval Militia	49
Total active plan members	3,909
Total members	5,302

NOTE: The data for the Air Guard group was available as of June 30, 2021 only. Buck, the Plan's consulting actuary, assumed the status of each Air Guard member as of June 30, 2021 was the same as of June 30, 2022, and increased each Air Guard active member's service as of June 30, 2021 by 1 year.

**(b) Pension Benefits**

Members who voluntarily retire from the Alaska National Guard or Alaska Naval Militia after at least five years of Alaska Guard service and a total of at least 20 years of U.S. military service or members who involuntarily leave the Alaska Guard service due to federal standards imposed on the Alaska Guard, regardless of length of service, are eligible for a retirement pension. The retirement pension is

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June 30, 2023

\$100 per month for each month of Alaska Guard service and may be paid to the member monthly or in a one-time lump sum.

**(c) Death Benefits**

Upon the death of an eligible member, as previously described, the member's designated beneficiary is entitled to a lump-sum benefit equal to the original pension amount less any payments already paid to the member.

**(d) Contributions**

The Plan's funding policy provides for annual employer contributions by the State of Alaska, Department of Military and Veterans' Affairs (Department) at actuarially determined contribution amounts that are sufficient to accumulate assets to pay benefits when due. Some officials of the Department may be members of the Plan. Plan members make no contributions to the Plan.

**(2) Summary of Significant Accounting Policies**

**(a) Basis of Accounting**

The accompanying financial statements have been prepared using the economic resources measurement focus and on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). Contributions are due to the Plan when employee services have been performed and paid. Contributions are recognized as revenue when due pursuant to statutory requirements. Benefits and refunds are recognized when due and payable and expenses are recorded when the corresponding liabilities are incurred, regardless of when contributions are received or payment is made.

**(b) Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

**(c) Investments**

The Plan owns shares in various investment pools that are administered by the State of Alaska, Department of Revenue, Division of Treasury (Treasury). The Plan's investment in the pools, except for the short-term fixed-income pool, is reported at fair value based on the net asset value reported by the Treasury. The short-term fixed-income pool maintains a share price of \$1. Each participant owns shares in the pool, the number of which fluctuates daily with contributions and withdrawals.

**(d) Administrative Costs**

Administrative costs are paid from investment earnings.

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June 30, 2023

**(e) Due to State of Alaska General Fund**

Amounts due to the State of Alaska General Fund represent the amounts paid by the General Fund on behalf of the Plan.

**(f) Federal Income Tax Status**

The Plan is a qualified plan under Section 401(a) of the Internal Revenue Code and is exempt from federal income taxes under Section 501(a).

**(3) Investments**

The Board is the investment oversight authority of the Plan's investments. As the fiduciary, the Board has the statutory authority to invest assets under the Prudent Investor Rule. Fiduciary responsibility for the Board's invested assets is pursuant to Alaska Statutes 37.10.210–390.

Alaska Statute 37.10.071 provides that investments shall be made with the judgment and care under circumstances then prevailing that an institutional investor of ordinary professional prudence, discretion, and intelligence exercises in managing large investment portfolios.

Treasury provides staff for the Board. Treasury has created a pooled environment by which it manages investments of the Board.

Actual investing is performed by investment officers in Treasury or by contracted external investment managers. The Board has developed investment guidelines, policies, and procedures for Treasury staff and external investment managers to adhere to when managing investments. Treasury manages the U.S. Treasury Fixed-Income Pool and Real Estate Investment Trust Pool, and cash holdings of certain external managers, in addition to acting as oversight manager for all externally managed investments. All other investments are managed by external management companies.

The short-term fixed income pool is a State pool managed by Treasury that holds investments on behalf of the Board as well as other State funds.

**Rate of Return**

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The Plan's annual money-weighted rate of return, net of investment expense, for the year ended June 30, 2023 was 5.71%.

For additional information on securities lending, interest rate risk, credit risk, foreign exchange, derivatives, fair value, and counterparty credit risk, see the separately issued report on the Invested Assets of the State of Alaska Retirement and Benefits Plans at [treasury.dor.alaska.gov/armb/reports-and-policies/annual-audited-financial-schedules](https://treasury.dor.alaska.gov/armb/reports-and-policies/annual-audited-financial-schedules)

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June 30, 2023

**(4) Net Pension Asset**

The components of the net pension asset at June 30, 2023 were as follows:

Total pension liability	\$	28,322,520
Plan fiduciary net position		<u>(44,501,184)</u>
Plan's net pension asset	\$	<u>(16,178,664)</u>
Plan fiduciary net position as a percentage of the total pension liability		157.12%

**(a) Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2023:

Inflation	2.50% per year
Salary increases	N/A
Investment rate of return	5.75%, net of pension plan investment expenses.
Mortality	<p>Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement.</p> <p>Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement.</p> <p>Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement.</p> <p>Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.</p>

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Notes to Financial Statements

June 30, 2023

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2023 are summarized in the following table (note that the rates shown below exclude an inflation component of 2.82%).

<b>Asset class</b>	<b>Long-term expected real rate of return</b>
Domestic equity	6.17%
Global equity (non-US)	6.55
Aggregate bonds	1.63
Real assets	4.87
Private equity	11.57
Cash equivalents	0.49

**(b) Discount Rate**

The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability in accordance with the method prescribed by GASB 67. In the event benefit payments are not covered by the Plan's fiduciary net position, a municipal bond rate would be used to discount the benefit payments not covered by the Plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 4.13% as of June 30, 2023.

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Notes to Financial Statements

June 30, 2023

**(c) Sensitivity of the Net Pension Asset to Changes in the Discount Rate**

The following presents the Plan's net pension asset as of June 30, 2023, calculated using the discount rate of 5.75%, as well as what the Plan's net pension asset would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	<u>1% decrease (4.75%)</u>	<u>Current discount rate (5.75%)</u>	<u>1% Increase (6.75%)</u>
Net pension asset	\$ 13,377,845	16,178,664	18,578,625

**REQUIRED SUPPLEMENTARY INFORMATION**

(Unaudited)



**STATE OF ALASKA  
NATIONAL GUARD AND  
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(A Component Unit of the State of Alaska)

Required Supplementary Information (Unaudited)

Schedule of Changes in Employer Net Pension (Asset) Liability and Related Ratios

Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:										
Service cost	\$ 722,955	656,678	517,376	507,899	578,431	610,686	610,686	603,495	603,495	654,797
Interest	1,521,266	1,438,540	1,567,548	1,532,008	2,370,401	2,265,875	2,170,196	2,659,657	2,553,940	2,359,276
Differences between expected and actual experience	1,156,457	—	(627,562)	—	(13,086,972)	4,338	(8,663,535)	4,565	1,258,332	—
Changes of assumptions	—	964,524	2,573,336	—	(265,847)	—	—	—	145,422	—
Benefit payments	(1,745,217)	(1,620,749)	(1,454,330)	(1,641,475)	(1,343,753)	(1,359,467)	(1,485,669)	(1,728,729)	(1,563,816)	(1,610,506)
Net change in total pension liability	1,655,461	1,438,993	2,576,368	398,432	(11,747,740)	1,521,432	(7,368,322)	1,538,988	2,997,373	1,403,567
Total pension liability – beginning	26,667,059	25,228,066	22,651,698	22,253,266	34,001,006	32,479,574	39,847,896	38,308,908	35,311,535	33,907,968
Total pension liability – ending (a)	28,322,520	26,667,059	25,228,066	22,651,698	22,253,266	34,001,006	32,479,574	39,847,896	38,308,908	35,311,535
Plan fiduciary net position:										
Contributions – employer	—	—	—	860,686	851,686	907,231	866,905	734,500	627,300	740,100
Total net investment income (loss)	2,453,401	(3,746,506)	9,474,407	2,142,109	2,321,285	1,964,832	3,181,993	181,711	589,856	4,527,672
Benefit payments	(1,745,217)	(1,620,749)	(1,454,330)	(1,641,475)	(1,343,753)	(1,359,467)	(1,485,669)	(1,728,729)	(1,563,816)	(1,610,506)
Administrative expenses	(295,041)	(357,740)	(304,439)	(230,609)	(282,338)	(226,466)	(257,396)	(241,750)	(240,750)	(223,334)
Other income	—	—	1,690	—	—	—	—	582	145	21
Net change in plan fiduciary net position	413,143	(5,724,995)	7,717,328	1,130,711	1,546,880	1,286,130	2,305,833	(1,053,686)	(587,265)	3,433,953
Plan fiduciary net position – beginning	44,088,041	49,813,036	42,095,708	40,964,997	39,418,117	38,131,987	35,826,154	36,879,840	37,467,105	34,033,152
Plan fiduciary net position – ending (b)	44,501,184	44,088,041	49,813,036	42,095,708	40,964,997	39,418,117	38,131,987	35,826,154	36,879,840	37,467,105
Plan's net pension (asset) liability (a)–(b)	\$ (16,178,664)	(17,420,982)	(24,584,970)	(19,444,010)	(18,711,731)	(5,417,111)	(5,652,413)	4,021,742	1,429,068	(2,155,570)
Plan fiduciary net position as a percentage of the total pension liability	157.12 %	165.33 %	197.45 %	185.84 %	184.09 %	115.93 %	117.40 %	89.91 %	92.27 %	106.10 %
Covered payroll	\$ N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See accompanying notes to required supplementary information (unaudited) and independent auditors' report.

**STATE OF ALASKA  
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Required Supplementary Information (Unaudited)

Schedule of Employer Contributions

Last 10 Fiscal Years

<b>Fiscal Year</b>	<b>Actuarially determined contribution</b>	<b>Contribution in relation to the actuarially determined contribution</b>	<b>Contributions deficiency (excess)</b>	<b>Covered payroll</b>	<b>Contribution as a percentage of covered payroll</b>
2023	\$ —	—	—	N/A	N/A
2022	—	—	—	N/A	N/A
2021	—	—	—	N/A	N/A
2020	—	860,686	(860,686)	N/A	N/A
2019	—	851,686	(851,686)	N/A	N/A
2018	907,231	907,231	—	N/A	N/A
2017	866,900	866,905	(5)	N/A	N/A
2016	734,560	734,500	60	N/A	N/A
2015	627,327	627,300	27	N/A	N/A
2014	474,791	740,100	(265,309)	N/A	N/A

See accompanying notes to required supplementary information (unaudited) and independent auditors' report.

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Required Supplementary Information (Unaudited)

Schedule of Investment Returns

<b>Fiscal Year</b>	<b>Annual money-weighted rate of return, net of investment expense</b>
2023	5.71 %
2022	(7.69)%
2021	23.01 %
2020	5.28 %
2019	5.95 %
2018	5.17 %
2017	8.99 %
2016	(0.16)%
2015	1.63 %
2014	13.53 %

See accompanying notes to required supplementary information (unaudited) and independent auditors' report.

**STATE OF ALASKA  
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Notes to Required Supplementary Information (Unaudited)

June 30, 2023

**(1) Actuarial Assumptions and Methods**

The actuarial valuation was prepared by Buck. The significant actuarial methods and assumptions used in the defined benefit pension benefit Plan valuation as of June 30, 2022 were as follows:

- (a) Actuarial cost method – Liabilities and contributions in the report are computed using the Entry Age Normal Actuarial Cost Method (level dollar basis). Any funding surpluses or unfunded accrued liability is amortized over 20 years less the average total military service of active members.

The actuarial accrued liability under this method at any point in time is the theoretical amount of the fund that would have been accumulated had annual contributions equal to the normal cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date). The unfunded actuarial accrued liability is the excess of the actuarial accrued liability over the actuarial value of Plan assets measured on the valuation date.

Under this method, differences between the actual experience and that assumed in the determination of costs and liabilities will emerge as adjustments in the unfunded actuarial accrued liability, subject to amortization.

- (b) Valuation of assets – Effective June 30, 2006, the asset valuation method recognizes 20% of the investment gain or loss in each of the current and preceding four years. This method was phased in over five years. Assets are initialized at market value as of June 30, 2006. All assets are valued at fair market value. Assets are accounted for on an accrued basis and are taken directly from financial statements. Valuation assets are constrained to a range of 80% to 120% of the market value of assets.
- (c) Investment return – 5.75% per year, net of investment expenses
- (d) Mortality (pre-commencement) – Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement.
- (e) Mortality (post-commencement) – Retiree mortality in accordance with the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement.

Beneficiary mortality in accordance with the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement.

- (f) Turnover – Select and ultimate rates based upon the 2017-2021 actual experience. Sample rates are shown below.

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Notes to Required Supplementary Information (Unaudited)

June 30, 2023

<b>Select Rates of Turnover During the First 5 Years of Employment</b>		<b>Ultimate Rates of Turnover After the First 5 Years of Employment</b>		
<b>Years of Employment</b>	<b>Unisex Rate</b>	<b>Age</b>	<b>Male Rate</b>	<b>Female Rate</b>
< 1	20.00%	< 30	9.53%	9.94%
1	10.00%	30	9.43%	9.84%
2	10.00%	35	8.81%	9.20%
3	10.00%	40	7.73%	8.06%
4	10.00%	45	6.83%	7.13%
		50	4.16%	4.33%
		55	2.64%	2.75%
		60	2.88%	3.00%

- (g) Disability – No changes to the incidence rates from the prior valuation due to insufficient 2017-2021 actual experience. Disability rates continue after a member is eligible for retirement. Sample rates are shown below.

<b>Age</b>	<b>Male</b>	<b>Female</b>	<b>Age</b>	<b>Male</b>	<b>Female</b>
< 23	0.0179%	0.0112%	50	0.1714%	0.1071%
23	0.0244	0.0153	55	0.2954	0.1846
25	0.0374	0.0234	60	0.5110	0.3194
30	0.0570	0.0356	65	0.6109	0.3818
35	0.0679	0.0425	69	0.2036	0.1273
40	0.0822	0.0514	70 +	0.2036	0.1273
45	0.1157	0.0723			

Post-disability mortality in accordance with the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement.

- (h) Retirement – Retirement rates based on the 2017 – 2021 actual experience.

<b>Age</b>	<b>Male</b>	<b>Female</b>	<b>Age</b>	<b>Male</b>	<b>Female</b>
< 53	15.34%	18.20%	59	37.00%	32.50%
53	17.70	21.00	60	40.70	35.75
54	23.60	28.00	61	44.40	35.75
55	18.50	16.25	62	44.40	35.75
56	25.90	22.75	63	44.40	35.75
57	29.60	26.00	64	44.40	35.75
58	33.30	29.25	65 +	100.00	100.00

Vested terminated members are assumed to retire at the later of current age or age 50 when electing an annuity, and at current age when electing a lump sum.

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Notes to Required Supplementary Information (Unaudited)

June 30, 2023

- (i) Imputed data – Data changes from the prior valuation which are deemed to have an immaterial impact on liabilities and contributions are assumed to be correct in the current year’s client data.

Active and terminated members with a date of termination after the last date of hire are assumed to be terminated with status based on their amount of vesting service.

Buck assumed the status of each Air Guard member as of June 30, 2021 was the same as of June 30, 2022, and increased each Air Guard active member’s service as of June 30, 2021 by 1 year.

- (j) Form of payment – 50% of members are assumed to elect a lump sum benefit. 50% of members are assumed to elect a monthly annuity with the number of payments equal to the number of months they were active in the Plan. A lump sum of the remaining payments is paid if the member should die while receiving payments. Lump sums are calculated based on a 5.75% discount rate annuity certain factor.

- (k) Administrative expenses – The Normal Cost as of June 30, 2022 was increased by \$331,000 for administrative expenses. This amount is based on the average of actual administrative expenses during the last two fiscal years.

The expense load is equal to the average of the prior two years’ actual administrative expenses rounded to the nearest \$1,000 as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 304,000
2022	<u>358,000</u>
Total	\$ 662,000
	÷ <u>2</u>
Expense load (rounded)	<u>\$ 331,000</u>

The assumptions and methods, when applied in combination, fairly represent past and anticipated future experience of the Plan. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated benefits.

***Changes in Actuarial Methods Since the Prior Valuation – June 30, 2020 to June 30, 2022***

There have been no changes in actuarial methods since the prior valuation.

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Notes to Required Supplementary Information (Unaudited)

June 30, 2023

***Changes in Actuarial Assumptions Since the Prior Valuation – June 30, 2020 to June 30, 2022***

Effective for the June 30, 2022 valuation, the Board adopted the changes to the demographic and economic assumptions recommended by the actuary, based on the results of an experience study performed on the Plan experience from July 1, 2017 to June 30, 2021. The changes in assumptions were adopted at the June 2022 Board meeting. The effect of the new assumptions was to increase the actuarial accrued liability as of June 30, 2022 by approximately \$3.9 million.

The amount included in the Normal Cost for administrative expenses was changed from \$256,000 at June 30, 2020 to \$331,000 at June 30, 2022.

***Changes in Benefit Provisions Since the Prior Valuation – June 30, 2020 to June 30, 2022***

There have been no changes in benefit provisions since the prior valuation.

## **SUPPLEMENTAL SCHEDULES**



**STATE OF ALASKA  
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Schedule of Administrative and Investment Deductions

Year ended June 30, 2023

	<u>Administrative</u>	<u>Investment</u>	<u>Total</u>
Personal services:			
Wages	\$ 78,096	5,634	83,730
Benefits	49,604	2,628	52,232
Total personal services	<u>127,700</u>	<u>8,262</u>	<u>135,962</u>
Travel:			
Transportation	239	103	342
Per diem	41	20	61
Total travel	<u>280</u>	<u>123</u>	<u>403</u>
Contractual services:			
Management and consulting	25,348	5,320	30,668
Investment management and custodial fees	—	80,831	80,831
Accounting and auditing	41,238	39	41,277
Data processing	74,769	2,155	76,924
Communications	792	21	813
Advertising and printing	3,400	3	3,403
Rental/leases	9,892	200	10,092
Legal	18	112	130
Repairs & Maintenance	81	5	86
Transportation	2,227	2	2,229
Securities lending	—	540	540
Other services	8,441	128	8,569
Total contractual services	<u>166,206</u>	<u>89,356</u>	<u>255,562</u>
Other:			
Equipment	143	60	203
Supplies	712	225	937
Total other	<u>855</u>	<u>285</u>	<u>1,140</u>
Total administrative and investment deductions	<u>\$ 295,041</u>	<u>98,026</u>	<u>393,067</u>

See accompanying independent auditors' report.

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Schedule of Payments to Consultants Other Than Investment Advisors

Year ended June 30, 2023

<u>Firm</u>	<u>Services</u>	<u>Amount</u>
Buck Global LLC	Actuarial services	\$ 21,678
KPMG LLP	Auditing services	41,000
State Street Bank and Trust	Custodial banking services	1,988
Applied Microsystems Incorporated	Data processing services	3,702
Sagitec Solutions	Data processing services	58,559
TechData Service Company	Data processing services	5,035
		<u>131,962</u>
		<u>\$ 131,962</u>

This schedule presents payments to consultants receiving greater than \$1,000.

See accompanying independent auditors' report.

# Division of Retirement & Benefits

## Alaska Retirement Management Board

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### Audit Committee

March 5, 2024

#### Audit Unit Report

This report contains information on work performed through March 5, 2024, by the Division of Retirement and Benefit Audit Unit. The Audit Unit is a team of three under the supervision of CFO - Kevin Worley. The daily activities of the Audit Unit are overseen by Christopher Novell, Accountant V and Compliance Officer. Brandon Roomsburg and Nimeri Denis serve as Audit and Review Analysts.

#### A. Audit Unit Overview

The Audit Unit audits all employers in PERS and TRS for compliance with state statutes, regulations, and federal code. Per the DRB audited financial statements for State Fiscal Year (SFY) 2023, there were 151 PERS employers and 57 TRS employers with employer contributions totaling \$698.3 million. Employer contributions through the second quarter of SFY 2024 totaled \$313.6 million.

The Audit Unit also audits for SBS and DCP compliance (when applicable) and reviews the employers' social security and Medicare withholding for compliance with mandatory and voluntary rules.

#### B. Employer Audits Performed to Date

	<u>PERS Employers</u>	<u>TRS Employers</u>
CY 2024	01	01
CY 2023	05	04
CY 2022	05	02
CY 2021	12	05
CY 2020	17	08
CY 2019	10	04
CY 2018	39	14
CY 2017	25	13
CY 2016	17	07

**C. Audit Chart SFY 2023 and SFY 2024**

Five (5) audits have been completed to date. Four (4) commenced in SFY 2023 and One (1) commenced in SFY 2024. Four (4) audits commenced in SFY 2023 and SFY2024 are in progress. All audits completed and in progress are via desk.

<b>Alaska Gateway SD</b>	Juneau School District, City & Borough of	Nome Joint Utilities
Alaska Housing Finance Corporation	Ketchikan Borough	North Pacific Fisheries Management Council
<b>Aleutian East Borough</b>	<b>Ketchikan Gateway Borough SD</b>	North Pacific Rim Housing Authority
<b>Aleutian East Borough School District</b>	Ketchikan, City of	<b>North Slope Borough</b>
Aleutian Region School District	<b>Klawock City School District</b>	<b>North Slope Borough School District</b>
Anchorage, Municipality of	Klawock, City of	Palmer, City of
Bering Straits School District	Kuspuk School District	Petersburg Borough
Bethel, City of	Lower Kuskokwim School District	Petersburg City Schools
Chugach School District	Lower Yukon School District	Petersburg Medical Center
<b>Copper River School District</b>	<b>Matanuska-Susitna Borough School District</b>	Sand Point, City of
Ilisagvik College	Mekoryuk, City of	Southeast Island School District
Inter-Island Ferry Authority	Nome, City of	Tlingit-Haida Regional Housing Authority
Juneau, City & Borough	Nome City Schools	Utqiagvik, City of

Highlighted (Purple) = Completed

Highlighted (Green) = In Progress

**D. Common Employer Audit Issues to Date**

All audits completed this state fiscal quarter were clean with no findings. No common or recurring issues were identified.

**E. Other Duties Performed by Audit Unit**

The Audit Unit is the home of the State Social Security Administrator (SSSA). Christopher Novell and Brandon Roomsburg both serve as SSSA's for Alaska. The SSSA is there to help and answer any questions relating to employer's participation status in Social Security.

# Division of Retirement & Benefits

## Alaska Retirement Management Board

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### Defined Contribution Plan Committee

March 5, 2024

#### Delinquent Employers

As identified below, the following employers were delinquent in filing their required payroll reports per Alaska Statute (AS) 39.35.610 and .770 [PERS] and AS 14.25.065 and .370 [TRS].

PERS employers delinquent reporting as of Tuesday, February 13, 2024:

1. Hydaburg City SD – last reported PPE date October 15, 2022
2. Bristol Bay Housing Authority - last reported PPE date December 10, 2023
3. Pelican City SD - last reported PPE date November 30, 2023
4. City of Upper Kalskag – last reported PPE date November 30, 2023
5. Yukon Flats SD – last reported PPE date October 15, 2023
6. University of Alaska – last reported PPE date December 30, 2023
7. City of Nome - last reported PPE date Dember 15, 2023
8. Lower Kuskokwim SD – last reported PPE date November 30, 2023

TRS employers are delinquent reporting as of Tuesday, February 13, 2024:

1. Bristol Bay Borough SD – last reported PPE date November 14, 2023

The following PERS employers were delinquent in salary floor annual billings:

1. City of Allakaket – amounts due starting FY 2016 estimate of \$13,900
2. City of Nenana – amounts due starting FY 2014 estimate of \$295,000
3. City of Noorvik – amounts due starting FY 2009 estimate of \$839,000
4. City of St. George – amounts due starting FY 2009 estimate of \$482,000
5. City of Tanana – amounts due starting FY 2015 estimate of \$200,500



# **ARMB Audit Committee 2023 Annual Investment Compliance Update**

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**Treasury Investment Compliance Section**

Hunter Romberg, CPA, CIPM

March 5, 2024

# Agenda

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- Compliance Program Structure
  - Mission Statement
  - Goals
  - Team
  - Lifecycle
  - Projects
- Compliance Program Results
  - Scope
  - Findings
  - Overdrafts
  - Proxy Voting
  - Regulatory Filings
- Questions



# Mission Statement

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- To help protect invested assets entrusted to the ARMB and the Revenue Commissioner by monitoring adherence to existing laws, rules, regulations, contracts, policies, and guidelines.

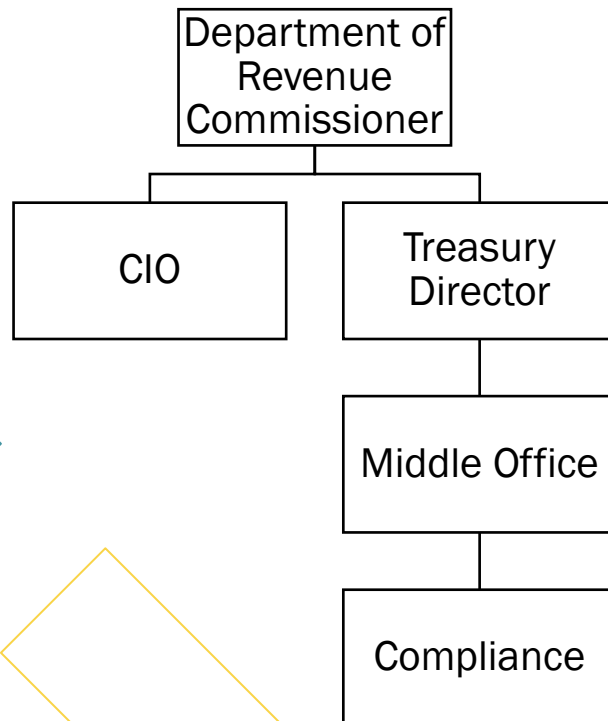
# Goals

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- Ensure that specific investments comply with requirements established in Treasury Division and ARMB policies and guidelines.
- Ensure that Investment Managers and the Custodial Bank comply with contract provisions that impact investments.
- Ensure that Treasury Division investment activities conform to state and federal investment laws, regulations, ethical standards, and industry best practices.
- Provide timely, relevant, and accurate compliance monitoring results to Treasury Management, the ARMB, and the Revenue Commissioner.

# Team

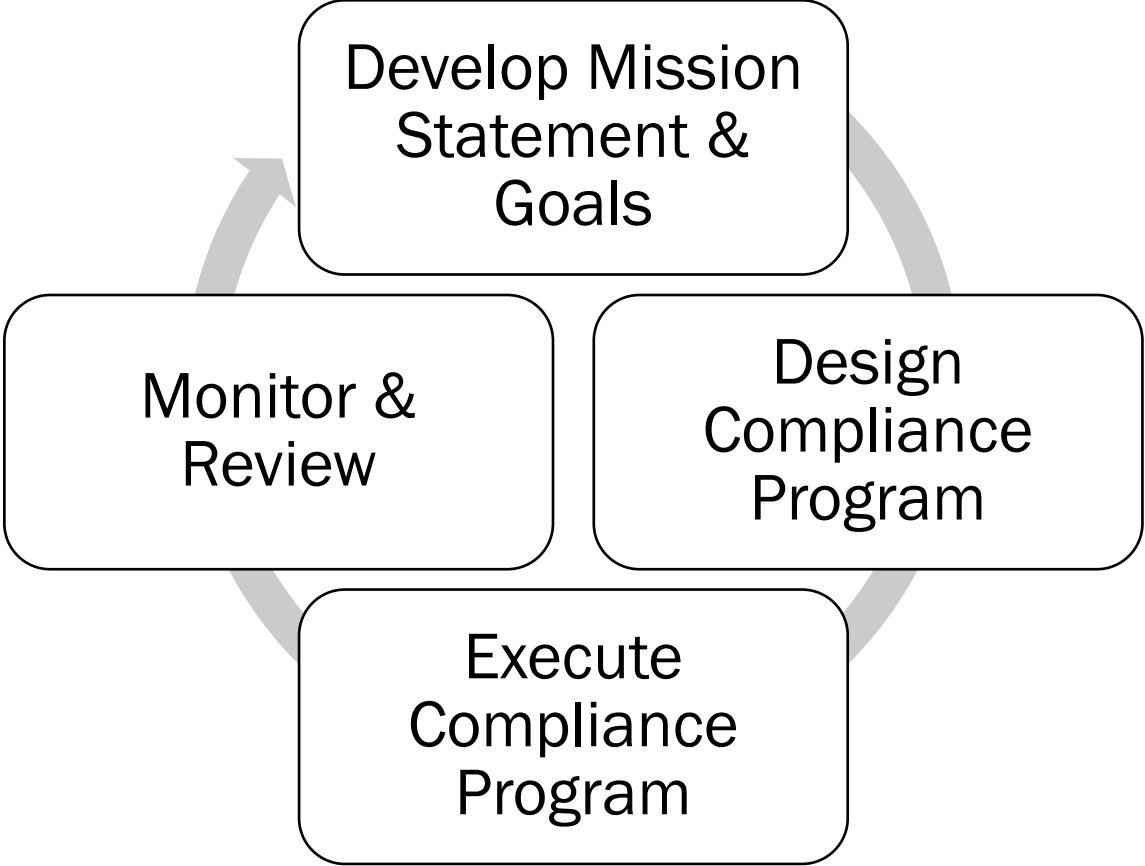
## Treasury Organizational Chart



## Compliance Staff

- Hunter Romberg, CPA, CIPM
  - Senior Investment Compliance Officer
- Vacant
  - Investment Compliance and Performance Officer

# Lifecycle



# Projects

## Completed

- Leveraging existing data sources
- Gathering new data sources
- Improving data accessibility and transparency
- Rewriting Bloomberg compliance rules

2023 Bloomberg Rule Count	
Initial	142
Deleted	(125)
Reused	17
Created	47
Final	<b>64</b>

## Continuing

- Working with Portfolio staff to identify potential operational improvements
- Developing risk assessment and treatment plan
- Automating production of monthly compliance reports

## Upcoming

- Exploring additional useful periodic supplemental reporting
- Continuing consolidation, standardization, and automation of compliance program

# Scope

## Retirement Systems

- ARMB Plans
  - Defined Benefit Plan (PERS, TRS, JRS, NG/NMRS)
  - Defined Contribution Retirement Plan (DCR-PERS, DCR-TRS)
  - Deferred Compensation Plan (DCP)
  - Alaska Supplemental Annuity Plan (SBS-AP)

## Testing Levels (As of Dec 2023)

- Plan Level Testing
  - Target Asset Allocation Tests
    - 28 ARMB Plans
      - 14 Defined Benefit Plans
      - 14 Balanced/Target Date Plans
- Fund, Security, and Trade Level Testing
  - 65 Bloomberg Tests
  - 16 In-House Tests
    - 28 Non-Commingled Funds
      - 10 Internal Funds
      - 18 External Funds

## Examples

2023



Internal Trades: 28,000+



REPO: 1,100+



Rebalances: 18

# Findings

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- LMCS Sweep Failures

- **Dates:** 7/3/2023 and 12/11/2023
- **Causes:** Operational complexities involving multiple moving parts
- **Resolution:** Treasury staff have implemented appropriate internal controls to assess, mitigate, and monitor potential points of failure

- PineBridge Leverage Violation

- **Dates:** 12/15/2023 through 12/19/2023
- **Causes:** PineBridge internal control failures including insufficient trade review and improperly configured compliance rules
- **Resolution:** PineBridge reimbursed the ARMB for the negative monetary impact of this violation and the CIO and relevant State Investment Officers are addressing our PineBridge internal control concerns

# Overdrafts

## USD Overdraft Charges

	Count	Amount
Gross Charges	33	\$8,200
State Street Bank Reversals	-13	-\$2,400
Manager Reimbursements	-3	-\$1,700
<b>Net Charges</b>	<b>17</b>	<b>\$4,100</b>

## Foreign Currency Overdraft Charges

	Count	USD Approx
Gross Charges	15	\$6,800
State Street Bank Reversals	-3	-\$3,600
<b>Net Charges</b>	<b>12</b>	<b>\$3,200</b>



# Proxy Voting

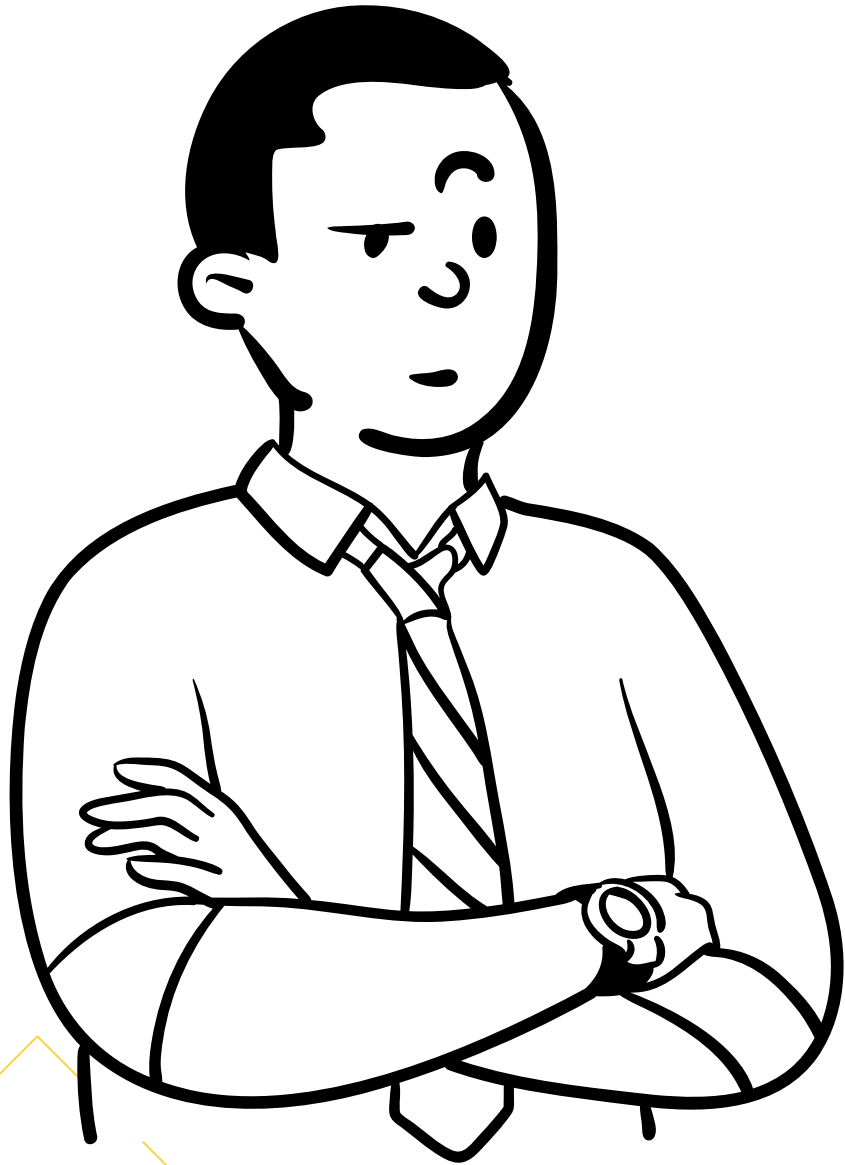
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- Annual Review
  - Review ARMB guidelines for changes
  - Collect copies of the following from managers:
    - Firm's current voting policy
    - Voting records
      - Upload to Treasury database for easy access and reporting
    - Certification that all votes comply with ARMB guidelines and firm's policies

# Regulatory Filings

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- SEC
  - 13F
    - Quarterly filing required by all institutional investment managers with at least \$100MM in AUM
    - Discloses equity holdings
  - 13H
    - Annual filing required by every large trader
    - Discloses background information
- Monitor Treasury Division statutory, regulatory, contractual, and other requirements



**Questions?**

**State of Alaska**  
**ALASKA RETIREMENT MANAGEMENT BOARD**  
**AUDIT COMMITTEE CALENDAR**

**Schedule of 2024 Meetings**

**March 5, 2024 (Juneau/Videoconference)**

1. Meet with DRB and Treasury staff.
2. Report from DRB on Employer Audit Program. Review list of completed audits, audit schedule, rotation, and significant findings/results. Identify any recurring findings.
3. Report on Delinquent/ Late Filing Employers
4. Report from Treasury Compliance Officer.

**June 11, 2024 (Anchorage/Videoconference)**

1. Review Auditor's audit plan of assets (Treasury) and pension systems and liabilities (Division of Retirement and Benefits). [Charter B 2](#)
2. Review with Staff (DOR and DRB) and Independent Auditors scope of audit, sensitive and risk areas, and compliance. [Charter B 2](#)
3. Report on Delinquent/ Late Filing Employers
4. Audit Committee opportunity to ask auditors to focus on areas of interest/review
5. Review Legal Issues and Regulations with Legal Counsel. [Charter A 5](#)
6. Review Organizational Charts, and Financial and accounting personnel succession. [Charter A 6](#)
7. Review Audit Committee Charter. [Charter A 1](#)
8. Committee Performance Self-Assessment. [Charter A 7](#)

**September 17, 2024 (Fairbanks/ Videoconference)**

1. Meet with Independent Auditors to receive and review draft audit of pension system invested assets. [Charter A 2-3, B 3-4-5](#)
2. Committee only meeting with auditors without management [Charter B 6](#)
3. Report on Delinquent/ Late Filing Employers

**October TBD, 2024 (Videoconference)**

1. DRB Financial Statements

**December 3, 2024 (Anchorage/ Videoconference)**

1. Meet with Independent Auditors to review final audit of pension systems [Charter A 2-3, B 3- 4-5](#))
2. Committee only meeting with Independent Auditors [Charter B 6](#)
3. Report on Delinquent/ Late Filing Employers
4. Committee Performance Self-Assessment. [Charter A 7](#)

**Periodic and As-Needed Meeting Topics**

1. Annual review with DRB on Independent Auditor procurement and contract (including review of independence and performance of auditors). [Charter B 1](#)
2. Updates by DRB on actuary procurement and second review/audits.
3. Custodian report and procedures review – augmented by staff reports. Biannual or as needed.
4. Regular reports by DRB on Employer Audit Program. Review list of completed audits, audit schedule, rotation, and significant findings/results. Identifying any recurring findings.
5. Regular reports on compliance:
  - A. “Back Office” compliance review programs.
  - B. Investment staff programs and procedures on real estate and alternative investment valuation monitoring and checks.
  - C. Annual Presentation
6. Audit Committee training on special topics

## Audit Committee

### PROPOSED SCHEDULE OF 2025 MEETINGS

#### **March 11, 2025 (Juneau/Videoconference)**

1. Meet with DRB and Treasury staff.
2. Report from DRB on Employer Audit Program. Review list of completed audits, audit schedule, rotation, and significant findings/results. Identify any recurring findings.
3. Report on Delinquent/ Late Filing Employers
4. Report from Treasury Compliance Officer

#### **June 17, 2024 (Anchorage/Videoconference)**

1. Review Auditor's audit plan of assets (Treasury) and pension systems and liabilities (Division of Retirement and Benefits). [Charter B 2](#)
2. Review with Staff (DOR and DRB) and Independent Auditors scope of audit, sensitive and risk areas, and compliance. [Charter B 2](#)
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4. Audit Committee opportunity to ask auditors to focus on areas of interest/review
5. Review Legal Issues and Regulations with Legal Counsel. [Charter A 5](#)
6. Review Organizational Charts, and Financial and accounting personnel succession. [Charter A 6](#)
7. Review Audit Committee Charter. [Charter A 1](#)
8. Committee Performance Self-Assessment. [Charter A 7](#)

#### **September 16, 2025 (Fairbanks/ Videoconference)**

1. Meet with Independent Auditors to receive and review draft audit of pension system invested assets. [Charter A 2-3, B 3-4-5](#)
2. Committee only meeting with auditors without management [Charter B 6](#)
3. Report on Delinquent/ Late Filing Employers

#### **October TBD, 2025 (Videoconference)**

1. DRB Financial Statements

#### **December 2, 2024 (Anchorage/ Videoconference)**

2. Meet with Independent Auditors to review final audit of pension systems [Charter A 2-3, B 3- 4-5](#)
3. Committee only meeting with Independent Auditors [Charter B 6](#)
4. Report on Delinquent/ Late Filing Employers
5. Committee Performance Self-Assessment. [Charter A 7](#)

#### **Periodic and As-Needed Meeting Topics**

1. Annual review with DRB on Independent Auditor procurement and contract (including review of independence and performance of auditors). [Charter B 1](#)
2. Updates by DRB on actuary procurement and second review/audits.
3. Custodian report and procedures review – augmented by staff reports. Biannual or as needed.
4. Regular reports by DRB on Employer Audit Program. Review list of completed audits, audit schedule, rotation, and significant findings/results. Identifying any recurring findings.
5. Regular reports on compliance:

6. "Back Office" compliance review programs.
7. Investment staff programs and procedures on real estate and alternative investment valuation monitoring and checks.
8. Annual Presentation
9. Audit Committee training on special topics

## Charter of the Audit Committee of the Board of Trustees of the Alaska Retirement Management Board

### I. Audit Committee Purpose.

The Audit Committee provides independent oversight of the integrity of the Alaska Retirement Management Board's financial statements and reporting, systems of internal controls, and compliance with legal and regulatory requirements. It also serves as a conduit of communication among the independent auditors, asset, liability and investment management, the chief financial officers, and the Board of Trustees.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors, as well as ARMB management and staff, legal counsel, and asset managers. The Committee may retain, at the expense of the ARMB and consistent with applicable procurement requirements, special legal, accounting, or other consultants or experts it considers necessary in the performance of its duties.

### II. Audit Committee Responsibilities and Duties.

A. The Committee shall carry out the following review responsibilities:

1. Review and assess the adequacy of this Charter at least annually and submit recommended changes to it to the Board of Trustees for approval.
2. Review the annual audited financial statements prior to filing or distribution of the final report. This review should include discussion with management and independent auditors of significant issues regarding accounting principles, practices, and judgments.
3. In consultation with management, the independent auditors, and the chief financial officers, consider the integrity of the financial reporting processes and controls; discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures; and review significant findings prepared by the independent auditors and the chief financial officers together with management's responses.
4. Discuss any significant changes to applicable accounting principles and any items required to be communicated by the independent auditors.
5. At least annually, review with the ARMB's counsel any legal matters that could have a significant impact on the Fund's financial statements, the ARMB's compliance with applicable laws and regulations, and any inquiries received from regulators or governmental agencies.



6. Review financial and accounting personnel succession planning within the ARMB.

7. Periodically perform self-assessment of the Committee's performance.

B. The Committee is recognized as a direct avenue for the reporting of any material or significant finding by the Treasury Division Compliance Office. The Chair of the Committee shall be the primary contact with the external auditors between meetings of the Committee if communications between the external auditors and the Committee are deemed necessary or desirable.

C. The Committee shall have the following responsibilities with respect to the ARMB's independent auditors:

1. Review the independence and performance of the auditors and periodically recommend to the Board of Trustees the appointment of the independent auditors or approve any discharge of auditors when circumstances warrant.

2. Review the independent auditors' audit plan - discuss scope, staffing, locations, reliance upon management, and general audit approach.

3. Discuss with management and the independent auditors the accounting principles and underlying estimates used in the preparation of the Fund's financial statements.

4. Review the external auditor's management letter to the ARMB and discuss the contents with the auditors and monitor the follow-up on significant observations, findings and recommendations.

5. Discuss with the independent auditors the clarity of the financial disclosure practices used or proposed by the ARMB.

6. Meet with the auditors, in the absence of management, to review findings, recommendations or other pertinent subjects.

D. In addition to the foregoing, the Committee shall:

1. Perform such other activities consistent with this Charter, and governing law as the Committee considers necessary or appropriate or as the Board of Trustees may otherwise request.

2. Maintain minutes of Committee meetings and periodically report to the Board of Trustees on significant results of the Committee's activities.